THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

*April 3, 1948*

# STILWELL'S DIARY

AN EDITORIAL

# What Can China's Liberals Do?

Charles J. Canning

# A View On COL Index

K. Stone

# Tsinan Press Faces Crisis

Joseph I. C. Luan

# ECONOMIC COOPERATION

AN EDITORIAL

VOLUME 109 CNC$50,000 NUMBER 5

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**B.F. Goodrich**

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# LETTERS From The People

**Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.**

## Warning To USA

To The Editor:

While the China Aid problem is being so feverishly debated in the US Congress, I would like to say a few words to Americans as a whole.

(1) If Americans really have a true sense of democracy, this heated debate, I think, would not be necessary at all. Aid to China is certainly not a profitable enterprise and every cent paid out of the US treasury is money belonging to the American people.

(2) I wonder why the majority of Americans have not made any comment on the said question, leaving the military men and capitalists of the Wall Street to say what they like and act likewise in their own way.

(3) We Chinese don't quite understand what the US Government is doing here after it has tried so many other ways which have cost it so much money. It should have recognized the hopeless situation here. Any further aid will merely be poured down the bottomless drain.

(4) It seems rather ridiculous to do a thing which bears no good results but does harm to the Chinese masses. What the latter want is peace, immediate peace, but not aid, military or otherwise. Therefore, whoever tries to do things which directly or indirectly prolong the hardships of the Chinese is the enemy of China. I give this warning to the Americans as a whole, not only to the militarists and politicians of the US.

DAVID SUN.

Hongkong,
March 1, 1948.

## Real Heroes

To The Editor:

After the conclusion of World War II, all the warmongering dictators met their doom and one-man rule gave way to democracy for which hundreds and thousands of peace-loving people had sacrificed their lives. But some ambitious people, emerging out of the war as heroes, are reaping fame and position by mass killing and conquests. They regard themselves as supermen and almighty heroes, entitled to enslave others and enjoy special privileges. In justification of their dictatorship, they will fully borrow the theory of Superman and Heroism from 19th century philosophers as a theoretical basis for the exercise of their absolute power.

As defined by Nietzsche, famous 19th century German philosopher, and his disciples, heroes are supermen and semi-gods, possessing an ability and far-sightedness unequalled by other people. Without their brilliant records, the history of mankind would have been colorless. For example, they said, without the outstanding leadership of Octavius and Julius Caesar, there would not have been a Roman Empire; nor could have the consolidation of China been made possible, without the statesmanship of Chin Shih Huang. In their opinion, the public affairs of the masses should be conducted by a few heroes, and heroes can do nothing wrong. Their authority, therefore, should not be questioned.

Many orthodox historians, with the


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same view, when writing history, deal mainly with the personal affairs of kings and great personages. They laud their conquests and great deeds, without realizing that underneath their glories, lie hundreds and thousands of corpses of slave laborers. The latter, actually, are the real heroes, but the fruits of their sweat and blood have been reaped by their rulers.

Kropotkin, famous 19th century Russian philosopher, contended that the progress of the civilization and culture of the modern world has been achieved through endless and successive efforts of our forefathers and contemporaries. Without their cooperation, we would be, in all probability, still living in the primitive state as described in ancient history. Even the credit of scientific inventions should not be given to a few inventors for the reason that they owe their success in their pursuits to our forefathers and contemporaries for general backgrounds and other facilities.

In the sense of labor division and cooperation, everyone is doing his indispensable part for the welfare of the community. The carpenters and masons are building houses for us to live in; the musicians and painters are creating fairy lands for the satisfaction of our aesthetic desires. To further our civilization and culture, they have made their needed contribution. As the service rendered by every kind of people is indispensably needed by the community, it is unfair to attach special importance to one kind of service and one class of people. Nobody is able to live without the assistance of others.

In a democratic state, everyone is equal before the law. The ruling class as well as the ruled is on an equal footing despite the different positions they hold according to their aptitudes and qualifications. In this scientific age of the 20th century, nobody is inclined to believe in such a thing as semi-god and divine rights. Despite their outstanding abilities and inexhaustible energy, the so-called heroes are not other than human beings. As they belong to the same stock of human race, they have no right to enjoy special privileges and positions.

Real heroes rest on self-sacrifice and devotion for the common good, instead of mass killing and conquests. They never care a straw about their own benefit, nor do they desire to make themselves famous and great at the expense of others, as did the monarchs of the past and dictators of today. There are no less such great heroes in history, such as Abraham Lincoln, Jesus Christ, Sun Yat-sen and Franklin D. Roosevelt, who dedicated their lives for the benefit of others.

They are the real champions of liberty, fraternity, and equality. Instead of pursuing their own fame and happiness, they directed their efforts to the salvation of the whole world. They left behind them an immortal example to all posterity, and their great personalities will never die from the memory of the world.

H. T. LEE.

Taipeh, Taiwan,
March 16, 1948.

## Reforms Proposed

To The Editor:

Recently, nation-wide attention has been focused on the debate now under way in the United States Congress over the proposed US$570,000,000 China-Aid Program. The Chinese people are eager to see prompt Congressional approval of this aid so that a complete economic collapse in this country may be averted. However, we realize that since this proposed aid is mainly economic in nature, it can do little more than give the National Government a "breathing spell"; more drastic measures must be taken to remedy the situation, and by this we mean that only active, large-scale military assistance in crushing the Communists can provide a lasting solution to China's dilemma.

Many well-informed and prominent Americans agree with this thesis. Among them (to name but a few) are US Senators Taft and Bridges, ex-UNRRA Director Lowell Rooks, former Ambassador to China C. E. Gauss, William C. Bullitt and General Douglas MacArthur. China's economic strength is admittedly low and getting lower all the time. However, until the war has been brought to a successful conclusion, and that chief drain on the national economy ended, even twice the proposed amount of American economic aid would do no lasting good.

While hoping for this essential military aid, China, however, must take certain measures in order to assure the United States that she will make effective use of any assistance rendered. She must attempt to put her own house in order and instigate certain administrative reforms. I would suggest the following as being of primary importance:

(1) Overlapping Government agencies should be abolished to cut down unnecessary Government expenditure. (2) Frugality in Governmental foreign exchange expenditure must be enforced, and the application of the same must be strictly scrutinized. (3) Adequate pay must be given Government employees and public servants to insure the effi-

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ciency of their services and to eliminate the temptation of corruption. (4) Government revenue should be increased by a fairly enforced tax system, graded so that the rich bear most of the burden. Individual Chinese holdings abroad should be expropriated by the Government. (5) Bureaucratic enterprises and Government corporations should be restricted in order to allow private, civilian-controlled industry to develop. (6) The revolutionary spirit of Government officials should be restored by seeing to it that they place the interests of their country above their own partisan interests.

If these measures were enforced, then the darkness in which China finds herself would be the darkness which precedes the dawn.

ALFRED WANG.

Nanking,
March 18, 1948.

## Public Servant's Life

To The Editor:

It is known to everybody that, under the high cost of living, public functionaries are leading a very difficult life. For example, I am a minor staff member in a school with a basic salary of CNC$140 per month. According to the present standard of payment promulgated by the Government, I get approximately CNC$3,500,000, equivalent to US$14 at official exchange rate. Nearly half of the sum I have to pay for my food. A haircut and bath, each costs me about CNC$100,000 and the laundry fee each month takes CNC$150,000.

Hangchow is famous for its scenery. However, most scenic spots are many miles away from the town. Though living here, I seldom visit them simply because I cannot afford to eat out or to pay the exorbitant fee of a bus journey. I have not had a new suit of good quality for many years.

However, my life is not very hard when compared with that of some of my colleagues who have wives and children. They lead a dog's life and can hardly keep their heads above the water. One day in an office room, I saw a professor looking for something anxiously. I asked him what was wrong and he said he had lost a box of matches.

Most employees have no concern for the Civil War. What they are interested in mostly in the newspapers is news about salary adjustment. Recently they spend much time talking about the new salary readjustment rumor and are eagerly looking forward to its promulgation. Under such conditions how can the Government expect them to work efficiently?

L.T.R.

Hangchow, Chekiang,
March 22, 1948.

## Terror And Hunger

To The Editor:

At the beginning of February, one could buy one catty of floor with CNC$6,000 at Kaifeng. Now the same quantity of flour costs CNC$40,000. Within less than 40 days, the floor price has zoomed nearly seven times.

Yesterday, my wife went out to buy rice. The salesman at one rice shop asked CNC$30,000 for one catty; while my wife was haggling with him over the price, the shopkeeper came in and demanded CNC$38,000 for one catty. The price was up within a few minutes.

One of the reasons for the soaring of the rice price is that military men and high government officials hoard rice. All the wheat here is in the barns of the powerful. A flour dealer wept bitterly because his wheat was confiscated by the soldiers. As a result, nobody dares to transport wheat to Kaifeng any more.

To keep the 500,000 citizens here alive till next harvest is as urgent as the annihilation of the bandits at the front. It is not impossible that the people will be driven by hunger to be bandits. Already much thievery has occurred because of poverty.

At seven a.m. on February 29, seven armed men in military uniform rushed into a home on Wan Show Tze Road. After ransacking the house they seized CNC$4,600,000,000 and a gold bracelet and ring and ran away without a trace behind them.

At eight p.m. on March 3, four soldiers dressed in civilian clothes and a man in police uniform, entered a house, on Liu Chia Hu Tung, under the pretext of inspecting population from house to house. When their inspection was over, however, the owner of the house discovered that a pair of silver bracelets, together with CNC$7,400,000, were also gone.

Eight families living on the Po Ai Hu Tung were also robbed.

Now in Kaifeng, whenever there is violent knocking at the door at night, the inhabitants of the houses immediately become afraid as it either means that robbers or secret police for the "dangerous" elements are outside the door.

It still takes three months for the wheat to ripen. People here are afraid of thinking about tomorrow.

ROMANS.

Kaifeng, Honan,
March 10, 1948.


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## Helpless Refugees

To The Editor:

I am one of the sufferers from the liberated area in Honan. I made my flight to Hanyang last December when my native town was completely surrendered to the Reds. Before arriving in Hanyang I had counted on the help of my friends living there, as well as the charity of any relief institution. On arrival, however, I found to my disappointment, that not only was there no relief institution of any kind, but even help of friends was not accessible. I made a round of calls for their help in getting me a job, but my requests were met with coldness and indifference. Some told me, "It's not the time for jobs. You better wait, I'll keep you informed of any chance which presents itself."

My misfortune, however, does not end here. Obnoxious levies are imposed upon a poor refugee without discrimination. Not long ago a collection for the wounded soldiers' provision was conducted by the local authorities for which I was made to pay some CNC$10,-000.

Dear Editor, countless war refugees must be sharing the same fate with me. One of my friends, a brother of the political commissioner of my native district, exclaimed in his vexation, "I would rather go back home and suffer ill treatment in the hands of the banditis than to stay here a refugee." These words fully betray the sentiment of most refugees wandering helplessly in strange places.

J. P. YANG.

Hanyang, Hupeh,
March 8, 1948.

## Faithful Reader

To The Editor:

I was an enthusiastic reader of your *Review* when I was studying in high school and I enjoyed it, learning much from it. But not long after graduation because of my indigent economic condition, I was obliged to stop my subscription with deepest regret. Now I always read your magazine in librarries and bookstores. I hope that I shall soon be able to subscribe to your publication again.

LIANG FUH-KWANG.

Tientsin, Hopeh,
March 19, 1948.

## For US Congressmen

To The Editor:

Sometime ago your *Review* published letters about the seizure and confiscation of 85 taels of gold bars in the heart of the British Colony by officials of Chinese Maritime Customs. Protests in the form of letters to the press and editorials and reports abroad were often seen.

The forfeiture took place when anti-British agitations were at their height. Now a new angle has developed in the already interesting case, which probably will scandalize China's bureaucracy in that her officials ignored the elementary principles of modern civil and administrative laws.

The victim of the seizure gave the power of attorney to a certain R. G. Whitehead, first Briton who fought the Japanese under General Claire Chennault and a poet whose poems frequently appeared in your *Review* in the prewar days. The Chinese Maritime Customs was notified of the fact.

Solicitation and intimidation, favorite technique of the Gestapo-like Blueshirts, were obviously applied. The victim disappeared and left a note, saying that gold bars had been returned to him.

Neither the victim nor the Chinese

Maritime Customs notified R. G. Whitehead who instructed a J. C. Stewart, Solicitor of Tso and Hodgson, and until recently President of the War Crime Court in Hongkong, to proceed with the proceedings. In the course of action the man who held the power of attorney was informed that the gold bars were gone with the wind.

That Chinese Maritime Customs, enjoying hospitality of a friendly foreign state, should disregard the elementary law of power of attorney, is already a joke. But the joke does not end with such omission of duty and commission of blunders.

The whole scandal involves a total infringement of English rule and prerogative. Under the British law an attempt to smuggle gold bars out of the Colony was punishable. The law has been fully enforced in the Kaitak airfield, where gold bars or even golden utensils seized were submitted to the Court for condemnation.

The return of the gold bars in question without informing the person who held the power of attorney, and without consulting the local government whose laws punish an attempt to smuggle out gold bars, constitutes prima facie evidence of Chinese government's inability or unwillingness or both to follow modern civilized jurisprudence.

If Henry Luce, Walter Judd and Co. really believe that China's existing regime can be modernized by giving them more American dollars, they are either fools or cheaters or both.

There are hundreds of American-educated Chinese in Hongkong, who would be able to run China along the lines of a modern democracy if China's present rulers, faithful pupils of Hitler and Mussolini, were not granted American arms and money to kill Chinese.

We all know it is useless and even dangerous to disclose this abnormal state of affairs to the world in general and the United States in particular.

The Chinese Maritime Customs is considered best of all Chinese political institutions. In Hongkong, it should be the best of the best. And yet you can see in this case that there is no law.

Your *Review* is the only periodical that voices impartiality and a government of law for China. Through your kind publication of this letter I hope your Congressmen at home may realize specifically that unqualified aid to China's existing regime is leading the world to disorder and lawlessness.

JOSEPH K. LEIGH.

Hongkong,
March 10, 1948.

## Our Beloved Father

To The Editor:

I am deeply impressed by your enlightening editorial "23 Years Ago" in the March 13 issue of the *Review*, in which you praised highly our departed Father, Dr. Sun Yat-sen, whom I admire and respect so much.

If Dr. Sun were still alive, the "Three Peoples' Principles" might have been accomplished without ado; the serious peasants' and workers' problems might have been solved satisfactorily with the result that the Communists would not have been so strong and be the greatest opponent to the Government. Also China might have been a strong power in the world and could cope with USA and USSR.

In view of the chaotic situation prevailing in the world and especially in China, I could not help recalling our beloved Dr. Sun who died 23 years ago.

GERALD G. L.

Foochow, Fukien,
March 17, 1948.

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## Number Of Receivers

To The Editor:

Local papers of March 22 carried a news item to the effect that the Ministry of Communications has laid down certain regulations, restricting the use of radio receivers by their owners and requiring the sets to be registered with the local telecommunications administration.

The whirlwind of Fascism finally sweeps what is left of a seemingly comforting area. Henceforth, the radio owners shall have something to worry about. Their already nervous minds shall come to know that what has hitherto been an article of comfort and pleasure to them shall be transformed into a new source of trouble. If, unfortunately, they do not possess any technical knowledge about radio, they will face a hard time at the outset just to fill out the registration forms.

The Shanghailanders may easily recall that during the Japanese occupation days, restrictions on the use of radio receivers were imposed by the Japs and the puppet regime. The tottering KMT Government seems to follow their footsteps to accelerate its coming collapse.

With an army too weak to defend its territory and with a group of corrupt officials accustomed only to bragging before the public, the only thing that the KMT Government could do effectively is to shut the mouths and fold the ears of the people. From the censorship of press, the willful arrest of civilians, the ban on public meetings, down to the present restrictions on receiving radio signals, what rights have been left of the poor oppressed people except the possession of an angry heart and a clear mind of which no one can rob.

In this atomic age, when scientists all over the world are being encouraged by their respective governments to engage themselves in developing ultra high frequency, television, radar and cosmic rays, the Chinese Ministry of Communications in particular has restricted the use of radio receivers to certain frequency bands and to the reception of "legal broadcasts within the nation and of friendly nations."

With the said new restrictions, investigators may intrude into the house of radio listeners at any moment to check the use of the registered sets; if they find that the owner has violated their regulations, the latter will be fined or his set confiscated. Yet, no definitions have been given as to what broadcasts are legal and which are the "friendly nations." The best way not to violate the regulations would be to sell your radio or to smash it into pieces.

Actually, the present restrictions are no new things in the KMT's ever tightening control of the people. Long ago, the importation of radio parts was totally suspended, for fear that they might fall into the hands of the rival party. The sale of transmitter parts especially has been under the strictest control.

Under the existing circumstances, therefore, it would be absolutely impossible for the amateurs and experimenters to do any research work in radio without soon getting themselves into serious troubles. In short, the dictator's hand has nipped the little bud of science in China and has attempted to drive the people back to the Stone Age in order to consolidate their altar of massacre.

In view of their past record, however, it is very doubtful whether the telecommunications administration are in a position to carry out the orders of their superiors efficiently and effectively. Look at their list of the so-called approved broadcasting stations in Shanghai, switch on your radio and count how many stations are on the air. The percentage difference will indicate how efficient their work is.

AN ANGRY LISTENER.

Shanghai,
March 22, 1948.

*(The Government, a few days after issuing the above-mentioned order, hastily "explained" that the radio registration order had been misinterpreted by the press and public. The reason behind the move, it was said, was to provide technical information such as the number of receivers, and had nothing to do with taxation or restriction. The interpretation banning listening to any stations other than locally "approved" ones or ones from friendly nations was merely a hangover from the war-time regulations and was to be ignored, it was stated. In fact, a spokesman said, listeners could even tune in to Chinese Communist broadcasts if they wished.—Editor).*

## Song Assassinated

To The Editor:

Hsu-shou Song, an eminent Chinese scholar and educator, was brutally assassinated in Formosa, on February 18, 1948, by one of his former servants.

Mr. Hsu was born in Shaoshing, Chekiang, in 1883. He received his college education in both China and Japan. His life and career had many things in common with that of his departed good friend, Mr. Lu Hsun, a famous Chinese writer, who also was greatly admired and loved in China.

When he returned to China from Japan, he first served as a professor at National Peking University; commissioner of Education for Kiangsi Province in 1917; president of National Peking Women's University in 1922; did translation and editing work for the Ministry of Education at Nanking in 1924; Professor at National Sun Yat-sen in 1927; secretariat of Academia Senica, when Dr. Tsai Yuan-pai was its president in 1929; head professor of History at National Northwest University in 1938; professor at West China Union University in 1940; specialist of the Examination Yuan in 1942; went to Taiwan to organize the Editing and Translation Institute there in 1946; and professor at

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National Taiwan University, 1947.

By virtue of his personality, his literary accomplishments, his experience and knowledge of foreign countries he gained international fame.

His life was a difficult one. He earned his living chiefly by editing and writing. His writings may roughly be summarized as follows: "The Life and Thoughts of Lu Hsun," "How to Study Mandarin and Chinese," "Essence of the Three Principles of Peoples," "A Brief Account of the Examination System in the Past," "A Study of the Yueh Man Tang's Diary," "Story of Yu Yao," (The first two were already published).

In compliance to his friend's wishes, he will be buried near the grave of his old friend, Lu Hsun.

Signed by
TWELVE CULTURAL SOCIETIES.
Shanghai,
March 26, 1948.

## Attention, Dean Pond

To The Editor:

Enclosed is a letter to Dean Emeritus Roscoe Pound, Adviser to the Ministry of Justice. I hope you will publish it in view of the fact that it will help accelerate the release of many collaborators now in prison at Ward Jail. Thank you very much.

Your Honor;

I am taking the liberty to write to you, in the hope that this letter will call your attention to some of the abuses in the functioning of Chinese law and the law courts in Shanghai.

I have now been detained, in jail, over nineteen months on a minor charge of collaboration with the enemy. Specifically, because I helped a reputable American firm to dispose of its merchandise and to receive full payment for that firm from the Japanese. This transaction took place some eight months prior to Pearl Harbor, at a time when "collaboration with the enemy" was a daily occurrence in the then International Settlement of Shanghai. The reputable American firm referred to above had close connections with the National Government, so much so that the firm in question has recently received from the Chinese authorities a testimonial, in which this American Company's service to the Chinese Republic was recognized, its merit in saving merchandise acknowledged, and praising the management of the firm for the way in which the handling of important cargoes was carried out before Pearl Harbor. In other words, the American concern was praised by the Chinese National Government while I, who assisted the American concern to liquidate and save its cargo from confiscation, am locked up and accused of being a collaborator, or, in the Chinese terminology, a "han-chien," or traitor to China.

The charge against me is very clear in the act of indictment; it is no more and no less on account of my connection with this American concern which took place early in 1941. How much or how little the word collaboration has been abused and how easy this word has been used to victimise innocent people will never be known until each and every case, foreign and Chinese are explained in detail. Collaboration, the way it has been put in practice in China, can be likened to a dirty well. Even clean pebbles thrown into the well becomes dirty. While hundreds, thousands, of foreigners, and others were freely collaborating with the Japanese prior to Pearl Harbor, only some forty foreigners, among whom are many nationals of countries allied to Japan, were arrested and imprisoned in the Shanghai Jail. The irregularities, the stealing of private effects, the torture, the suffering without food or medicines are only some of the minor complaints which will be established by a commission of enquiry in the event the authorities see fit to establish an investigation of the truths and facts of some of the arrests referred to above. When an American journalist was slapped and kicked apologies were offered to the effect that it was not known at the time when he was smacked and kicked that he was an American. But the journalist informed the Chinese that he did not consider that he is entitled to any greater privileges than any other foreigner or even the native Chinese. The spirit of this journalist follows the trend of the late President Theodore Roosevelt and the same friendly and amiable late Wendell L. Willkie—the trend of the four freedoms, the trend of the free man.

The plight of many collaborators, the misery manifested in daily occurrences are not apparent to the many whose warm apartments and light-proof curtains hide the sufferings and deaths of many people.

The late and friendly Wendell L. Willkie has referred to the charming First Lady and President of Kuomintang China in the highest of terms; is it possible that the First Lady and the President are aware of the facts that foreigners have been arrested, their properties stolen, their persons abused, by the officers executing the law hiding under the curtain of collaboration—hiding their misdeeds in a word misused and abused. But to collaborate with the Japanese today seems to be not a crime. Furthermore the Kuomintang authorities have just issued a decree putting an end to the arrest of collaborators still at large. The same decree cancels all warrants previously issued against collaborators. But the Chinese judges do not use the term collaborator: the law only refers to "han-chien", or traitors to

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China. How can we foreigners who have never owed any allegiance to China be called traitors, just because we, like thousands and thousands of others, including prominent American officials and businessmen prior to Pearl Harbor, had dealings with the Japanese?

In my case the Supreme Court at Nanking has annulled the sentence imposed upon me by the Shanghai High Court. Nevertheless I am still being detained awaiting the pleasure of the High Court to renew its investigations. Five months have elapsed since the decision was taken to renew the investigations by the Shanghai High Court, which had, previously at the first trial, already spent seven months in investigating. Twelve months altogether for investigating, plus another seven months for the Supreme Court's decision to cancel the High Court's sentence, making in all nineteen months. But I am still waiting. After a year and a half, the procurator suddenly decided to investigate an iron safe belonging to me. Without my knowledge a hole was drilled, opening the lock of the safe but they were unable to open the combination. I was taken out of jail and asked to open the safe; when I protested, claiming that the contents should not be removed, the court's police immediately pointed pistols at me and had me hand-cuffed. Actually, the safe contained only stamps and coins without real, but only a sentimental value; nevertheless I was repeatedly asked in the presence of the procurator the approximate value of the souvenirs and collections. When a relative of mine complained about it to the Alien Property Administration, she was informed by the Director that this was a usual procedure but the Director agreed that making a hole in the safe in order to open the lock is against the regulations, and promised an investigation.

*UP* reported that the National Government, in a report to the State Council on the morning of the March 11, 1948, announced that all collaborators who have not yet been prosecuted WILL BE PARDONED. Furthermore the same report confirmed that prosecutions against collaborators already begun MUST BE FOLDED UP SPEEDILY. May I beg your Honor to intervene on behalf of thousands of prisoners to advise the Ministry of Justice that the word SPEEDILY does really exist and to help to explain the meaning of such a word. There are prisoners at the moment in Ward Road Jail, Shanghai, whose term of imprisonment has already expired. Yet because of lack of co-operation and efficiency these prisoners are still in jail awaiting some order requiring the seal of some forgettiable judge before the jail's authorities are permitted to release them.

I thank the Editor of the *Review* for the hospitality of his columns in bringing the above to your esteemed attention.

SOS

Shanghai,
March 22, 1948.

## Pull Me Through

To The Editor:

I have been an earnest reader of your *Review* for nearly three years. Sometimes I read it in a library here; sometimes I buy a copy at the sacrifice of a meal. I enjoy it so much that it has become a part of my life.

I am fatherless, as my father was killed four years ago in the Anti-Japanese War. Since then, I have had a very hard time and have suffered much poverty. Many bosom friends of my father changed their attitude after his death; friendship seems to exist only with life.

I shall finish high school this coming summer. I hope I can find a good job after graduation or continue my education in college. But I feel there is darkness in my future. I need someone to pull me through.

ROBERT LING.

Wenchow, Chekiang,
March 18, 1948.

## A Few Corrections

To The Editor:

I used to read carefully all the articles in your *Review*, especially those concerning Yunnan for they usually expose the "inside dope" which the local Chinese papers fail to carry.

I recognize that Miss Helen P. F. Shih is an advanced liberal and one of the *Review's* good correspondents, who voices what the Yunnan lao pai hsing want to say. That is why she enjoys a high reputation in this province although nobody knows who she is. Yet I must point out that Miss Shih committed some errors and omitted some stories about banditry in her article "Graft And Banditry Plague Yunnan" in the March 13 issue of the *Review*.

It is understood that the students of Yunnan University sent their petitions to the Ministry of Education in Nanking, the Branch Office of Yunnan and Kweichow of the Control Yuan in Kunming and the Yunnan Branch Office of the Ministry of Auditing in Kunming, but not to the Branch Offices of the Control Yuan and the Ministry of Auditing which are located in Nanking.

Lu Tsung-jen and one of his henchmen, manager of Yunnan Sin Wen Bank, who 17 years ago organized the Yunnan Land-Surveying Office (it must not be confused with the present Yunnan Provincial Land Administration) under the control of the Department of Finance, of which Lu was then the Commissioner. All the tillable land was surveyed and the maps and charts were produced from this. Everybody in this province knows all the bad stories about the corruption of that survey. Now the ex-manager of Yunnan Sin Wen Bank is the "chosen" representative to the National Assembly from the Provincial Chamber of Agriculture, though he knows nothing about agriculture.

On the border of Kwangsi near Indo-China, besides the "international" bandits, there are more than 300 bandits occupying Jingtea and Chingshi hsiens. Not long ago, Wenshan hsien in the south was raided at night by a group of modern-equipped bandits. Many rich people there were robbed and two policemen killed. The bandits around Lunan, not very far from Kunming along the Indo-China Railway, entered the hsien city and released all the 200 to 300 prisoners from the guarded jail.

Kwangsi, Yunnan and Kweichow the combined Bandit-Suppression Headquarters was established at Paiseh in Kwangsi a short time ago, not in 1912. Since the establishment of the Republic of China, despite the Government's suppression, the bandits seem to have grown in number. I don't know why the Government has not yet found the original ills.

A FAITHFUL REPORTER.

Kunming, Yunnan,
March 18, 1948.

## With Deep Sorrow

To The Editor:

Because of poverty, I have to say good-bye to your *Review* with deep sorrow as one when departing from his sweet home. It has been a good friend to me, helping me to understand what is actually going on in this world and enabling me to tell what is right from wrong.

WANG YU-SHENG.

Pucheng, Nanking,
March 20, 1948.

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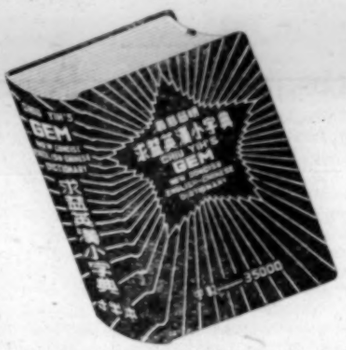

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Vol. 109 Shanghai, Saturday, April 3, 1948 No. 5

## Stilwell's Diary

WITH the publication in the United States this week of General Stilwell's papers, another part of the war record becomes available to the public. To the memoirs of former secretaries of state James Byrnes and Cordell Hull, and the several other personal accounts of those who participated in the war or helped shape American policy, is now added Stilwell's report. None of these books can tell the whole story of the war. But each of them recounts a phase that is part of the total picture.

Stilwell's contribution, controversial as it may be, comes at an opportune time. As a report of the last large-scale example of cooperation between America and China, it appears at a time when similar cooperation is being contemplated, and when Stilwell's actions as executor of that cooperation are under examination. He already has been under attack from certain quarters, including his wartime colleague in China, General Chennault, for insisting on arming the Chinese Communists and for not getting along with the Generalissimo and Chinese authorities.

Since Stilwell is no longer alive to answer these accusations, and since, indeed, he made no public statement following his dramatic recall from China, his own records, kept as a sort of safety-valve during the heat of action, constitute the only source of information concerning his side of the case.

General Stilwell's words are not diplomatic. Written for himself alone, they tread on the toes of the great and near-great, as the writings of a man of his temperament would. But as the words of a man who himself contributed to history, they belong to history. It is in this light, we believe, that Stilwell's part of the record should be examined.

Stilwell saw the war in China as one to be fought with ground troops. Against the views of Generalissimo Chiang Kai-shek and Chennault, who felt the airforce was the main show, Stilwell argued that without airbases protected by adequate troops and channels of communication through which to keep them supplied, the bases would be taken and command of the air lost.

In Stilwell's eyes, this was the core of the argument to which all other considerations were secondary. The pros and cons of the tactics he used to further his argument may be debated, but Stilwell's central case has been proved. He was overruled by the Joint Chiefs of Staff, and the majority of supplies went to the airforce as Chennault and the Chinese Government had asked. As Stilwell was departing, all air bases east of Kunming were lost, and Chennault's airforce—valiant as its fight had been—was powerless to bomb effectively anything more distant than northern Indo-China and limited areas elsewhere. The war was never won in China. It was won in the Pacific and over Japan, and Japanese troops in China were ordered by their Emperor to surrender.

Stilwell's fight to win his case went straight to President Roosevelt and Prime Minister Churchill. After a conference in Washington in May, 1943, Stilwell reported: "Nobody was interested in the humdrum work of building a ground force but me. Chennault promised to drive the Japs right out of China in six months, so why not give him the stuff to do it? It was a short cut to victory.....

"The inevitable conclusion was that Churchill has Roosevelt in his pocket. That they are looking for an easy way, a short cut for England, and no attention must be diverted from the Continent at any cost. The Limeys are not interested in the war in the Pacific and with the President hypnotized, they are sitting pretty.

"Roosevelt wouldn't let me speak my piece. I interrupted twice, but Churchill kept pulling away from the subject, and it was impossible. Henry Stimson and George Marshall were understanding. The War Department was O.K. Even the air was a bit fed up on Chennault. But what's the use when the World's Greatest Strategist is against you?"

In China, the main argument spread out to include many subsidiary disagreements. One was on whether the Chinese Army was competent to fight the Japanese on the field. Stilwell believed it could be, with proper training and equipment. This confidence, according to his record, was not shared. The Generalissimo warned him that "three Chinese divisions were not a match for one Jap division," and of Chinese commanders explained: "I have to lie awake nights, thinking what fool things they may do. Then I write and tell them not to do these things. But they are so dumb, they will do a lot of foolishness unless you anticipate them. This is the secret of handling them—you must imagine everything that they can do that would be wrong, and warn them against it."

Not until Stilwell had received permission to fly 45,000 Chinese troops over the Hump to India for training, where they were given "good chow, medical attention, efficient instruction *and* their pay, as well as movies, athletics, etc." and demonstrated in the Burma campaign that these troops could beat the Japanese was he able to write his wife: "Now it has been proved that I was right about Chinese troops and the opposition is entirely tongue-tied."

Another problem was that of preparing the Chinese Army for attack. Here Stilwell's remarks are valuable for the analysis he makes of Chinese army psychology: "It wasn't just a question of recruiting, organizing and training an army. The big job was to change the fundamentally defensive attitude of the Chinese to an offensive attitude. They were fixed and set by long years of custom—Chiang Kai-shek had made the defense his policy in the present war. He was going to trade 'space for time,' a very catching way of saying he would never attack." The Chinese commander, Stilwell continued, hesitated to take action. "If he makes a decision to take positive action and it results badly, it is his fault for having tried to influence events. ...A Chinese command is the property of the commanding general; if he risks it, he risks an investment. A division reduced to the strength of a regiment by an attack cannot expect to be filled up at once to its former strength. The division commander thus becomes in effect a regimental commander, and such reduction is to be avoided at all hazards."

Stilwell's jottings about the Chinese Army often showed sly touches of humor. One incident he noted concerned a Chinese colonel who, in figuring tonnage, observed that "there are times when a three-ton truck weighs as much as a twenty-ton tank." Charmed by this reasoning, an American officer asked him, "Now, if you have a two-thousand-pound cow, and she stands on one foot on a bridge, how much will she weigh?" The colonel's answer, according to Stilwell, "was that she would weigh 500 pounds."

One of the most controversial questions being raised currently in connection with Stilwell's tenure is that of his desire to use Communist troops to fight the Japanese. Stilwell's papers shed interesting light on this. The question came up at a time when the Japanese were launching a ground offensive against the air bases in East China. The Chinese and Americans were negotiating an agreement to give Stilwell direct field command over Chinese troops on the China front so that he could use the tactics that had defeated the Japanese in Burma against Japanese troops on China's mainland. One point in this agreement was that Communist troops be utilized in this campaign.

Stilwell records that the Generalissimo, in a confernce on September 7, 1944, told him that "if I used the Reds, they would have to acknowledge the authority of the National Military Council. He would advise me from time to time. . . . He had full confidence in me."

On September 12, Chiang Kai-shek agreed to appoint Stilwell as commander in chief of all Chinese ground forces, but negotiations over other points, including a Chinese demand for control of lend-lease, continued.

On September 18, Stilwell delivered a telegram to the Generalissimo from President Roosevelt. While the contents of this were never revealed, Stilwell reports it said in effect, "Get busy or else." The Generalissimo received it with the remark, "I understand."

It was after the delivery of the President's message, according to Stilwell, that the Generalissimo decided he must go, on the grounds that it made him Stilwell's "subordinate."

On Sept. 28, the Chinese general, Lin Wei, who did not know about the Generalissimo's decision to ask for Stilwell's recall, visited Stilwell to suggest that if he dropped his demand for the arming of Chinese Communists, the Generalissimo might agree on the other points. Stilwell complied immediately. In a memorandum that same day to General Ho Ying-ch'in, at that time War Minister, Stilwell explained the reasons for raising that suggestion and at the same time offered to discard it. He wrote:

"1. The suggestion for using the Communist troops was raised because it seemed advisable to make use of any and all military assets in this crisis. I was not insisting on the use of the Communists as a condition for agreement.

"2. The matter of using the Communists can be dropped, and we can proceed advantageously with our other plans."

These plans, which he then outlined, were to build and train other Chinese troops from Ledo and South China into a force ready to assume the offensive against the Japanese within six months.

If Stilwell's record is to be believed, the question of Communist troops impeding negotiations has been elevated beyond all proportions. It was never again referred to in his own papers, and in a summation written after his relief from command, where he discusses the reasons for it, he declared they stemmed from the fundamental disagreements between him and Chiang Kai-shek over ground versus air power. "At all times," he wrote, "my relations with Chiang Kai-shek were on an impersonal and official basis, and although we differed often on questions of tactics and strategy, once the decision was made, I did my best to carry it out."

In his private journals, Stilwell sputtered about almost everyone. He complained that Chinese commanders put the necessity of pleasing the Generalissimo over carrying out his (Stilwell's) orders: "If my suggestions or orders run counter to what they *think* he wants they offer endless objections. When I brush off these objections, they proceed to positive measures—for instance, stopping the movements of a regiment until it is too late to bring it to bear—or just failing to get the order out."

THE MARSHALL PLAN AS SEEN BY A QUIZZICAL BRITON

"We're off to see the wizard, the wonderful wizard of U. S."

He complained of intrigue both in Chungking and Washington: "Chiang Kai-shek wired T. V. Soong that I had 'wired the American staff of CNAC to refuse transfer of two transport planes.' A lie. Also that 'Chiang Kai-shek had to beg me for lend-lease materials already delivered to China.' Another damn lie."

He reports that T. V. Soong, then Chinese special representative in Washington failed to send a letter from President Roosevelt to the Generalissimo which pointed out that Stilwell was "the President's representative and had a different status from that of chief of staff," Stilwell commented: "Imagine an official of his position suppressing a message of such importance."

He complained that the Generalissimo interfered with his orders in the field and "has so many yes-men around him that he has the idea he is infallible."

He complained that Wendell Willkie, on his visit to China, was completely taken in by "soft soap, adulation and flattery" and went away without asking Stilwell a question.

Stilwell had code names in his journal for almost all prominent people. They were probably an adaptation of an American army practice during the war of protecting the identity of such persons by giving them pseudonyms—mostly humorous. Thus, in Stilwell's journal, President Roosevelt was "old softy" or "the Big Boy;" the Generalissimo "Peanut;" Madame Chiang "May;" Madame Kung "Sis" or "Ella;" T. V. Soong "Tommy;" Mountbatten "Dickie," etc.

Probably his strongest words were reserved for Chiang Kai-shek, of whom he wrote: "Chiang Kai-shek is the head of a one-party government supported by a Gestapo and a party secret service. He is now organizing an S.S. of 100,000 members. (He) hates the so-called Communists. He intends to crush them by keeping any munitions furnished him and by occupying their territory as the Japs retire. (He) will not make an effort to fight seriously. He wants to finish the war coasting, with a big supply of material, so as to perpetuate his regime. He has blocked us for three years and will continue to do so. He has failed to keep his agreements. (He) has spoken contemptuously of American efforts and has never said one word to express gratitude for our help, except in one message to the President in which he attacked me. (He) is responsible for major disasters of the war. Nanking, Lang Fang, Changsha and Hengyang. Kweilin and Liuchow. Red blockade."

Stilwell had evolved his own ideas about China. Since their publication in the *Ladies' Home Journal* will be read by some 4,000,000 Americans, these ideas are bound to be widely discussed. He wrote:

"(I had) faith in the Chinese soldier and Chinese people: fundamentally great, democratic, misgoverned. No bars of caste or religion. Honest, frugal, industrious, cheerful, independent, tolerant, friendly, courteous.

"I judge Kuomintang and Kungchantang (Communist Party) by what I saw:

"(Kuomintang) Corruption, neglect, chaos, economy, taxes, words and deeds. Hoarding, black market, trading with enemy.

"Communist program: Reduce taxes, rents, interest. Raise production, standard of living. Participate in government. And practice what they preach.

"Chiang Kai-shek is confronted with an idea, and that defeats him. He is bewildered by the spread of Communist influence. He can't see that the mass of Chinese people welcome the Reds as being the only visible hope of relief. . . ."

Stilwell at the time he wrote his papers was near the end of his career and of his life. Sixty years old at the time of the long retreat from Burma in 1942, he was a full general at the height of his career in China and had no further personal ambition. Throughout his notes is expressed the realization that he was an old man and the desire to return home to his wife in Carmel at the war's end.

He wrote to Mrs. Stilwell during the Burma campaign: "I was crossing a river in a pontoon and the colored soldier running the boat looked me over and shook his head sadly. Said he: 'It sure is tough to make an old man like you come up and work in this country.' I occasionally overhear similar remarks by the Chinese soldiers. They think I am about ninety years old. . . ."

Another time, after climbing a hill, he wrote in his journal: "Damned near killed me. All out of shape. No wind, no legs. . . . Felt like an old man when I staggered in."

To his wife, he promised: "My traveling is done now, definitely, and if I can get back there, you won't be able to throw me out."

He felt that being honest was the only way to get along. Of his relations with the Generalissimo he wrote: "My only concern is to tell him the truth and go about my business. It is patently impossible for me to compete with the swarms of parasites and sycophants that surround him."

He searched for honesty within himself. "Am I by nature a coward?" he wrote. "To be able to live with the family—with a free mind—I have to risk never living with them. Probably this thought would never occur to a guy of strong character."

He studied the psychology of command. "If a man has enough character to be a good commander, does he ever doubt himself?" he asked. "He should not. In my case, I doubt myself. Therefore, I am in all probability not a good commander."

He had no patience with the airs and privileges of rank and referred to himself as a "deckhand." He confessed that he was a failure at high-sounding phraseology, being unable to "say 2 and 2 are 4 in a sufficiently ponderous and pontifical manner." After the Cairo conference, he wrote: "A brief experience with international politics confirms me in my preference for driving a garbage truck."

While there was criticism of Stilwell's tactics and decisions, there was never a whisper of reproach concerning his personal conduct or integrity.

Stilwell's chips may fall on many people. Remembering that he himself kept silent through the bitterness surrounding his recall, they will

do well to share the large view expressed in the closing paragraph of his journals:

"The personal experience of an individual fades into insignificance in the enormous scope and ramifications of war, especially if there is a grievance connected with it. And when the general result is success, who cares about the squawks of the disgruntled? If a man can say he did not let his country down, and if he can live with himself, there is nothing more he can reasonably ask for."

## Economic Cooperation

FOR the past several weeks there have been various reports and announcements about the formation of a joint Sino-US company to develop Taiwan's aluminum industry. Latest indications are that plans are well under way and that, in fact, an agreement has already been signed between the Reynolds Metal Company, an American concern, and the National Resources Commission, a Chinese Government organ. The only remaining hitch, we gather, is the granting of a loan by the US Export-Import Bank.

If this Sino-American cooperative effort succeeds, it may be the starting signal for many more such joint enterprises which have been "hanging fire" since the end of the war. The main stumbling blocks preventing such agreements as the one signed between Reynolds and the NRC, it seems, have all had to do with the question of remitting profits back to America. We have heard of several American, and other foreign firms, which have approached the pertinent Chinese authorities with the idea of constructing factories or other enterprises here but who have backed out mainly because they felt that the Chinese Government was unable to give sufficient guarantees for the return of profits to the land of origin.

There of course are always two sides to such a question and usually the difference is resolved through a compromise. However, in virtually all cases prior to the aforementioned one, no compromise satisfactory to the foreign investor could be reached.

The Chinese Government, understandably, approaches each offer with a certain amount of suspicion. The natural Chinese reaction is one which assumes that since the work is to be done in China largely by Chinese, the bulk of the profit should be obtained by Chinese. Also, since such profit is made in China, a large part of it should remain in China, rather than be siphoned off by foreign investors who reside in some other country. The foreign approach, again understandable, takes the line that this productive and profitable enterprise will be dependent upon foreign investment, foreign equipment and foreign technology or "know how" and therefore a large share of the profit rightly belongs to the foreigner. It seems to us that both approaches have a lot of merit and that it should not be too difficult to reach a compromise agreeable to both parties.

However, as the past two and a half postwar years have shown, such compromises rarely have been reached. The Chinese have blamed the foreigners, saying they were interested only in exploiting cheap Chinese labor and, besides, were too greedy, wanting all the profits. The foreigners, on the other hand, have frequently complained that while the Government was willing for them to come in with foreign money, equipment and techniques, it was not willing to let the foreigner make *any* profit. What's more, foreigners have often complained that the Chinese authorities set up restrictions which would doom any enterprise to failure before it started.

We can't imagine what the answer to this impasse might be. Neither side has been willing to accept what the other has to offer. The result is that China has missed another chance for aid in industrialization. Apparently the authorities concerned have felt that the price was too high.

The news of the Reynolds-NRC agreement comes as a particularly encouraging sign at this time. Both sides naturally must be pretty well convinced of success or they would not enter into an agreement. It is important for the future of Chinese-American economic cooperation that this first major joint economic effort succeed.

## Minority Rights

THE question of protecting the lawful rights of minority groups is almost as old as the institution of government. In past ages minorities were either wiped out by majority groups living in the same or adjacent areas or were protected by treaties or "deals" made between the two groups. In modern times, especially since the governments and peoples of the world began giving at least lip service to theories of freedom, equality, etc., governments have endeavored by law to protect any racial or religious minority living within the country's boundaries. To date, though, no general solution has been found.

In China various tribal peoples who have constituted minority groups in various sections of the country have largely been assimilated. Sometimes this process of absorption has been carried out peacefully, with the tribal peoples gradually accepting the more advanced culture of the Chinese to the extent that widespread intermarriage takes place. In such situations, the tribal groups soon lose their identity and become almost indistinguishable from the Chinese. However, in more remote areas where minorities are in fact majorities the situation is quite different, with sharp clashes frequently occurring between the different groups. Generally, the Chinese, even though constituting a minority, are able, because of their technical modernization and political sophistication, to dominate the more backward people.

In recent years China has been reaping the "reward" of her lack of any sound policy toward minority racial groups in the Northwest. Misgovernment, enforced by military strength, in areas along the Soviet border has resulted in widespread unrest among the local peoples. This unrest has become serious for China mainly because of the presence of a strong, modern power across the border. It is undeniable that the re-

portedly vastly superior economic conditions on the Soviet side increases the dissatisfaction among China's frontier tribes. Opinions vary as to whether the Chinese minorities have been getting aid and advice from across the border. Some recent visitors to the Northwest report that there are definite grounds for such a suspicion.

However, the Soviets doubtlessly cannot be blamed for the basic causes of the disturbances. If conditions on the Chinese side were politically and economically satisfactory, even agents provocateur could not cause over much trouble. China must pay more attention to her minority groups. She can get away with poor or indifferent administration in minority areas in the interior such as in Kwangtung, Kwangsi and Kweichow provinces, but so long as a powerful and stable country such as Russia has a long common boundary with China which runs through some of this country's most minority filled territory a real danger exists.

## New Opium Drive

ONCE again the Shanghai authorities are organizing a new opium drive to rid the city of the last vestages of this evil drug. In the past we have commented favorably upon the Central Government's efforts along this line, pointing out that in this respect Nanking actually means what it says and bends every effort to "practice what it preaches." While we still think the Government is doing a good job in this matter, we occasionally hear reports somewhat to the contrary.

Recently we revisited China's Southwestern frontier province of Yunnan and found conditions much as they were during our last trip. Opium was grown, sold and smoked openly almost everywhere we went. In Kunming itself its use—at least openly—appeared to be on the decline, but it was so prevelent in some of the other towns and villages we passed through that it seemed as if no effort had ever been made to discourage the practice.

From time to time we receive letters from readers in other remote provinces who also complain of laxness on the part of local officials in stamping out the drug. However, it does appear that in areas fully under its control, the Central Government does its best. This should be a matter of some pride to Nanking, but at the same time the Government should see what it can do toward bringing the rulers of some outlying provinces—some of whom are reported actually to be fostering the use of opium—under control in this matter.

In addition to police measures, a plan for readjusting the local economy would have to be worked out for many areas. In some sections of Yunnan, for instance, the growth of opium poppies is so tied up with the local economy that its abolition would require a complete readjustment of farm-city relationships. In these areas, the present rice and other food production apparently is adequate for the populace. Opium is grown on "surplus" land and, besides yielding a handsome profit, is a favorite crop with farmers because it is both easy to cultivate and does not take as much nourishment out of the soil as do regular crops.

This is a tough problem for Nanking, but one to which we think increased attention should be paid.

## 25 Years Ago In The *Weekly Review Of The Far East*

### Foreign Criticism

March 31, 1923

There is a considerable number of newspapers and magazines published in China in foreign languages which are supposed to reflect foreign opinion toward things Chinese. With very few exceptions these publications are now very "anti-Chinese" in their editorial tone....In order to determine the Chinese reaction....the writer... asked a number of Chinese acquaintances the question, "What do you think of this foreign criticism and what is China going to do about it?" First, referring to the criticism appearing in the press of a certain nationality long established in the trade of China, a Chinese banker, educated abroad, said: "Of course we realize these conditions and regret them, but haven't the—(naming the nationality) made enough profit out of China during the last century in order to stand a certain amount of inconvenience now that China is in a difficult situation!....

* * *

### Favorable Trade Report

That there is every probability of an enormous increase in trade between the United States and countries in the Far East is indicated in an exhaustive report of the machinery consumption of these countries compiled by W. H. Rastall, of the Department of Commerce. Having 10 passenger ships and a number of freighters in the service between the United States and the Orient the report has been optimistically received by the United States Shipping Board and rejuvenates the hope that these vessels ultimately will be operated on a very profitable basis....

## 10 Years Ago In *The China Weekly Review*

### Hull's Appeal

April 2, 1938

Secretary of State Cordell Hull's appeal for the establishment of an international committee to facilitate the emigration of political and religious refugees from Central Europe, generally regarded as a "slap" at Hitler's anti-Semitic policies, has aroused almost universal approval among the 33 nations invited to participate in the plan. According to Hull's proposal the cost of transporting refugees would be borne by private organizations in the countries which agreed to receive refugees... It was also reported that the appeal....had aroused renewed hope among the 25,000 Russian emigrees at Shanghai and elsewhere in the Far East that they might be included in any plan for relief of political refugees which might be decided upon.

* * *

### Hoover-Organized Mines

The famous and highly profitable Kailan Mining Administration, which was born at the time of the Boxer crisis, more than a third of a century ago, may pass to Japan control as a result of the present Sino-Japanese crisis....The Administration, probably the largest and most continuously profitable British enterprise in China, owes its beginning to the genius of a young American mining engineer, Herbert Hoover, who came out to China at the time of the Boxer uprising in 1900 and obtained a position as adviser to the Chihli provincial mining bureau....When the Powers intervened to suppress the Boxers, the Chinese authorities feared the valuable coal mines ....would be seized by either the Japanese or the Czarist Russians. In order to prevent seizure the....authorities....turned the properties over to a foreigner, Herbert Hoover, than a recent graduate of Leland Stanford.

# What Can China's Liberals Do?

*By Charles J. Canning*

IT is reported in the Chinese press that General Chang Chun, President of the Executive Yuan, has already tendered his resignation on the plea of "ill health." General Chang's intention to step down has been rumored for some time. It is understood that he has been indisposed and confined to his house during the past several weeks, leaving his affairs of the Executive Yuan to his deputy, Wang Yun-wu.

It is generally believed that after the election of the President and the Vice President by the National Assembly, there is going to be a radical shake-up in the governmental structure. Well-informed circles in Nanking predict that the chances are that General Chang will bow out in order to make room for a new liberal administration so as to create a new impression both at home and abroad.

It is almost a year since General Chang became premier in April 1947 to head a three-party coalition government of the Kuomintang, the Young China Party and the Democratic Socialist Party. The record of this government is an open book. In short, it must be said that General Chang has not had smooth sailing and his Cabinet has failed in its mission.

Shortly after the establishment of the new government, which was then enthusiastically hailed as marking a turning point in Chinese history, I wrote in the *Review* of May 3, 1947, to the effect that despite participation by the minority parties, the new government was new in name but old in content and predicted that General Chang would have a difficult road before him.

## Predictions Fulfilled

For the reader's reference, let me quote several important passages:

"....The new Government wants to beat the Communists to their knees by military might in hopes of achieving peace and national unity by force of arms. It will be recalled that the National Government had pursued the same policy for about 10 years with little result and the Government did not give it up until the outbreak of the Sino-Japanese War in 1937. As a matter of fact, this policy did more damage to China's strength than anything else and courted Japanese invasion, because a divided China was a great temptation to the Japanese warlords.... If the policy of trying to achieve national unity and internal stability by force had failed miserably 10 years ago, it is doomed to a more tragic failure this time....

"General Chang stated in his inaugural address that in view of the general depression and suffering throughout the country, it is imperative that past mistakes should not be repeated. But as far as we can make out from the announced policies and composition of the new political set-up, it seems to us that the new Government is distinctly old and is likely to repeat the mistakes of the past. We hope time will prove us wrong...."

The course of events, however, seems to have proved us right as evidenced by the alarming deterioration in the political and economic situation. Today China is farther away from internal stability and national unity than it was a year ago. And there is no denying the fact that the economic crisis is more serious than ever before. Even Government leaders in Nanking are talking about the "unprecedented crisis" in Chinese history.

In the midst of the present discussion on forthcoming reconstruction of the Chinese Government, much of the spotlight has been centered around the inclusion of liberal elements. When the three-party government was established, General Chang Chun, "non-partisan" Wang Yun-wu and others were hailed by both Chinese and foreign papers as leading liberals, and leaders of the Young China Party and of the Democratic Socialist Party also called themselves "liberals." Only a year afterward, it is now found that these liberals are no good any more and that a new type of liberal is badly needed to bolster the prestige of the Government. This leaves one under the impression that the liberal elements in the Government have been a failure. They are either useless now or not "liberal" enough to meet the present situation.

## New Liberals Needed

Much of the present talk and speculation about the impending reshuffle in Nanking originated from the statements by President Truman and by Secretary of State Marshall on the need for broadening the base of the Chinese Government. Secretary Marshall told a press conference that he hoped Generalissimo Chiang Kai-shek would broaden his government, but he left it for the Chinese to decide whether the Communists should be included now that they have been in open rebellion against the Government.

President Truman was more specific and definite. He stressed that the United States did not want the Communists in the Chinese Government or any other government. He went to the length of saying that it has never been the policy of the United States to favor inclusion of Communist elements in the Chinese Government. However, he emphasized that the Chinese Government should be broadened.

To put teeth to his general statement the President openly elaborated that what he meant by broadening the base of the Chinese Government under present conditions was inclusion of more liberals. According to the President, there are a great many liberals in China, many of them educated in the United States and they constitute an intelligentsia which he would like to see included in a broader base of the Chinese Government. In a nutshell, the question of broadening the Chinese Government, as President Truman sees it, is one of including more "American-educated liberals." Is the question really as simple as that?

Talking about "American-educated" liberals, the *Sin Wen Pao* of March

TWO VIEWS OF MR. WALLACE'S THIRD PARTY

"The lone apple."

"Holding it aloft."

20 quoted a responsible American source in Nanking as saying that a new impression would be created in the United States if Dr. Hu Shih, former Chinese Ambassador in Washington and present chancellor of the National Peiping University were appointed as President of the Executive Yuan. The reason is because in the eyes of Americans, Dr. Hu is a symbol of liberals whose participation in the Chinese Government constitutes a prerequisite for improving China's internal politics.

In the opinion of the said American source, Americans who are interested in Chinese affairs are getting rather impatient with the kaleidoscopic reorganization of the Chinese Government. They think that an immediate step to take should be to enlist the services of talented leaders and give them real power to do things. It is said that both the American Government and people would think highly of the Chinese Government if they should find it possible to cooperate with those Chinese leaders whom they respect and trust.

Recently, there has been much talk about Dr. Hu's coming into power as China's first premier under a Constitutional government. It is stressed that Dr. Hu, a widely known "American-educated" liberal, has a good reputation in the United States and therefore his assumption of a key post in Nanking would certainly enhance the popularity of the Chinese Government and enlist the sympathy and support of the Americans.

Dr. Hu himself has stoutly denied such rumors, stressing that he is a bookworm who has no political ambitions at all and who does not know how to fix his desk, let alone run the government. However, the movement to include American-educated liberals in the new government seems under way.

## Different Criteria

Things in China are moving pretty fast these days, so much so that it seems to be getting more and more difficult for the middle-of-the-road liberals to hold their ground as a third force much as they want to ride on the fence. When General Chang Chun, Wang Yun-wu and the office-seekers of the minority parties joined the coalition government, they were generally considered as liberals. At that time, the public expected much of them, hoping that their participation in the government would contribute toward "liberalizing" the government structure and government policy. But the results have been bitterly disappointing. On the eve of the opening of the National Assembly, the minority parties were still scrambling for seats in the Assembly although they were disastrously defeated in the elections. After getting in, some liberals became conservatives because they then had offices to conserve. They are liberals no longer. All this happened in a brief period of barely a year.

In the light of bitter experience of the past, will it be possible to expect much of a new type of American-educated liberals?

## Lack of Support

The trouble with Nanking is that in its bitter fight with the Chinese Communists, the National Government lacks popular support. It would appear that many leaders of the Government do not command the respect or confidence of the people. This is the reason why the Government is now making a belated effort to regain the backing of the peasants in the rural districts by implementing Dr. Sun Yat-sen's "land-to-the-tillers" policy. Therefore the need of the present day should be to enhance the popularity and prestige of the Government. It is precisely for this reason, we reckon, that President Truman has felt it absolutely necessary to stress the inclusion of new liberals.

The question naturally arises: Are American-educated liberals more popular and more capable than those liberals who have been discredited? What is generally overlooked is that those American-educated scholars and politicians who are respected in the United States as liberals are not necessarily "liberals" in the eyes of the Chinese people. They may be well-known in the States and still remain strangers to their people. We doubt whether the names of General Chang Chun and Dr. Hu Shih make any difference to the plain country folks in the rural districts.

Even among the Chinese intellectuals, there has been a profound change of sentiment during the past several years. Take the students for example. Anyone who has followed the situation on the spot will find to his surprise that the majority of Chinese college boys and girls have become more radical and more politically conscious than they were before the war. It is really distressing to note that some American-educated scholars who are thought much of in the States stand very low in the eyes of the Chinese students. A typical illustration was furnished by frequent outbreaks of student disturbances.

## Idealism Vs. Realism

General Chang Chun and other leaders of the Political Science Group are well-known for their rich practical political experience, their tremendous tact and their resourcefulness. We wonder if the American-educated liberals will succeed where General Chang has failed.

American-educated liberals have one advantage over the old government leaders in that they have political idealism and they are regarded as progressive middle-of-the-roaders. But they have a disadvantage in that they lack practical experience in the conduct of political affairs. To talk politics is one thing; to play practical politics is quite another. Of course idealism is praiseworthy. But to play politics requires realism and tact. A celebrated scholar is not necessarily a good politician. In Chinese politics, realism seems to count much more than idealism. Experience teaches that the hard-boiled realists often defeat starry-eyed impractical idealists who invariably become square pegs in round holes.

The situation in China is such that a drastic change of policy is more needed than a mere change in personnel. As a prominent group of Nanking professors have pointed out in their public statement, "There are no specific rules of administration. Decrees are issued and rescinded at will. Officials play messenger boys to their superiors. Power is in the hands of unschooled and ignorant administrators, who are monopolizing government posts for nefarious purposes.... Government by law has become an empty dream...."

Therefore, unless there is a drastic change in government policy and in the procedure for doing things, inclusion of a new type of American-educated liberals will do nothing more than serve window-dressing purposes.

# Press Faces Crisis In Tsinan

**Joseph I. C. Luan**

*(Special Correspondent, The China Weekly Review)*

IT is said that the people consider the press their "throat and tongue" and I have many times heard the newspaper profession described as being one of the most noble and lofty. However, we newspapermen are often called names which are far from compatible with the "nobility" of our work. Many people dealing with the press outwardly flatter its members while actually hating them to the bone. In Chinese news circles, this contributes greatly to the difficulties confronting freedom of the press in this country.

Tsinan is a culturally backward city. The majority of its 700,000 inhabitants favor feudalism, and even the college students show no interest in occurrences of national importance. This fact, plus the economic panic and skyrocketing commodity prices, has seriously affected the development of the press.

## Ten Newspapers

There are about 10 daily newspapers in Tsinan, of which two were forced to close because of lack of capital. Of the three evening papers, one has given up because of lack of courage. The most widely read paper in Tsinan is the *Hwa Pei Hsin Wen* (North China Daily News), whose publisher, Chao Tze-chiang, is a man of great capacity. He publishes two editions, one in Tsinan and one in Sian, and now he has left here for Shanghai, Hongkong and Formosa in order to start a southern edition of his paper. He is doing this because he realizes that Tsinan is a "dead city" under the existing "military first" conditions. Here, the freedom of the press is not respected, and recently Mr. Chao was seriously beaten up and his publishing house destroyed by a certain military group simply because he published an uncomplimentary truth about its activities.

Tsinan's other papers, their respective daily circulations, sizes and backgrounds, may well be illustrated in Table A.

It is an open secret that even the independent privately-owned papers in the "pacification area" find it extremely hazardous to express their thoughts freely. The People's Council has suggested many times to the authorities that freedom of speech and press should be given back to the people but these suggestions have gone unheeded.

Many unconquerable material hardships exist here which affect the newspaper business as well as every other branch of existence. In the first place, daily circulation cannot be increased because of the uncertain and disorderly Shantung situation. Of the 108 hsien in Shantung, some 30 or more are nominally occupied by the Nationalists; but compared in size with the Communist-controlled areas, this amounts to only about 15 percent of the province. If we could reach the outlying districts, circulation would be no problem, but this is only wishful thinking as long as the Civil War continues to be fought in our province.

The most acute problem facing newspapers in this area is the shortage of newsprint. The total Government allocation to Shantung is six tons, an amount that would support less than 10 days' circulation. The difference has to be bought at the tremendously high blackmarket prices of today. At present, the importation of newsprint depends entirely upon Shanghai. The transportation fee from that city has recently increased from CNC$4,000,000 to CNC$8,000,000, and the black market price of newsprint has reached a new high of CNC$8,000,000 a ton. Publishers here feel that, in view of these conditions, the only way to keep their papers alive is to decrease their circulation and save whatever newsprint they have on hand for future publications.

## Expenses Too High

It is obvious from the above prices quoted that in Tsinan a newspaper's monthly income cannot meet its expenses, even though the subscription rate is adjusted every month. According to some figures, the monthly deficit of a local paper runs no less than CNC$3,000,000, and that of a large-circulation paper runs from CNC$50,000,000 to CNC$100,000,000. This, of course, affects the wages of press workers most seriously. The average newsman's salary here, including subsidies, fails even to maintain his meager standard of living, with the result that many competent workers are forced to leave. Their jobs are too often taken by poorly educated youths who, in spite of their "foreign" clothing, are incapable of writing even simple Chinese articles. The only newspaper men in this city who are paid a living wage are those who work for the *Hwa Pei Hsin Wen*, since it is the only privately-owned paper that shows any profit at all, and those who work for the Government-supported *Hsin Pao*. The rest of us must try to support ourselves in other ways, while supplying what amounts to our "free services" to our papers.

## Local Papers Unpopular

Shanghai and Nanking-published papers seem to be more popular in Tsinan than local ones. The reason is partly because they are better-printed and edited, and partly because, both in quantity and quality, they are more attractive than the local efforts. But the main reason is that the outside papers' subscription rates are generally lower. The *Central Daily News*, published in Shanghai and Nanking, sells for CNC$180,000 a month while the local *Hsin Pao* and *Ta Hwa Jih Pao* cost CNC$270,000. It seems evident, then, that the local papers should temporarily bow out.

Of the difficulties confronting the local reporter here, one of the foremost is the indifference shown by the authorities to reporters trying to collect news or information. This makes most reporters unwilling to use government officials as sources of news, and so they tend to stress overly such "social news" as robberies and rape cases. The lack of transportation and communication is also a great headache to local reporters. Because of this, the local press seldom publishes special articles dealing with conditions in districts outside Tsinan.

Only a few days ago, the Information Department of the Second Pacification Area held a press conference. There it was decided that, because of the serious shortage of newsprint and the military crisis, the local newspapers should publish a united edition. Some even went so far as to suggest that local papers stop publication entirely after April 1. But the united edition appears to have been decided upon, with the blessing of the authorities, while the unemployed newspaper men resulting from this move will be sent to the front to do propaganda work for the Government, it is said.

Before this article could be sent out, the *Cheng Pao* already had become a victim of the times. Its publisher has just proclaimed that, due to the shortage of newsprint, the paper will stop circulation temporarily. This is a serious crisis. The bankruptcy of the Chinese press represents the tragedy of the Chinese cultural workers in these times. Tsinan is only a small part of China and of Chinese life, yet if such a thing can happen here, it can happen anywhere in the country.

**Table A**

| *Name* | *Size* | *Daily Circulation* | *Background* |
|---|---|---|---|
| Ta Hwa Jih Pao ..... | ½ sheet | about 4,000 | HBT organ |
| Shantung Hsin Pao ..... | „ „ | „ 5,000 | Provincial |
| Hwa Pei Hsin Wen .... | ¼ „ | „ 8,000 | Private-Owned |
| Hwa Kuang Ji Pao .... | „ „ | „ 1,500 | „ „ |
| Ching Pao ..... | „ „ | „ 3,000 | Semi-Official |
| Ping Min Jih Pao ..... | „ „ | „ 2,000 | „ „ |
| Ching Pao ..... | „ „ | „ 1,500 | Private-Owned |
| Chung Pao ..... | „ „ | „ 2,000 | „ „ |
| Kuo-min Van Pao ..... | ⅛ „ | „ 500 | „ „ |

# Industrialists' View On COL Index

K. Stone

THE question of whether the standard of wage in Shanghai is unreasonably high has already been a matter causing frequent debate and should therefore no longer be questionable. Nevertheless, the fact that the cost of living index for labor in Shanghai climbed to 151,000 in February (1936=1), and will reach the probable figure of 200,000 in March, has again brought up this "question child" on the agenda of discussion in Shanghai business circles.

On March 13, *The Commercial Journal of Shanghai* held an open forum to discuss the problem and publicized their conclusions the next day with a thrilling headline reading: "To substitute 'Business Turnover Index' for COL Index in Order to eliminate the Vicious Circle Between the Rises of COL Index and Commodity Prices." It indicated one truth: that the businessmen and industrialists have alleged their dislike of calculating wages according to COL Index. This is but another way of expressing the miserable plight of the industry today.

To throw some light on the matter, we shall try to divide the problem into three parts:

(1) Is the prevailing wage standard in Shanghai too high?
(2) Is the cost of labor the chief burden on commerce and industry today?
(3) Is there a way to alleviate the present plight?

## Wage Standard

As one of the members of the standing committee of the City Chamber of Commerce, S. H. Pan, viewed it, the prevailing standard is much too high. He claimed, "COL Index is compiled on the basis of commodity prices in prewar years.... but the prevailing basic salaries and wages are fixed at a much higher rating than before.... the bases should be restored to the prewar standard." Though different in expression, they had their essential views in common. That is, that wages are too high.

Obviously, by standard of wage, it is meant the standard of real wage. It is the reward to the worker who had contributed his effort to the precess of production. It covers a certain nominal and indispensable amount of living necessities for maintaining his health energy, as well as the living cost of his family. It is only with this in view that our judgment of the appropriateness of the wage standard will not be misleading.

There are persons who conceive of the wage as being a part of production cost. They say that the percentage which wage occupies in total production cost will determine whether or not the wage is too high.

There are also persons who attempt to compare the prevailing nominal workers' wage with the pay of public functionaries and arrive at the conclusion that the wage of workers is too high. Is their pay standard to be considered reasonable? Every decent functionary would certainly shake his head and say no. If they were adequately provided (as distinguished from well provided) for, there would not have been news stories of suicide, family suicides and corruption appearing almost daily in the newspapers. It is ridiculous to compare unreasonable pay figures with more unreasonable ones. Otherwise, we could have happily used the example of soldiers' pay for comparison.

The principal point used as a pretext for opposition against the prevailing wage standard is the fact that basic wages are higher than they were in 1936. If we compare COL with the General Price Index compiled by the China Institute of Economics, we see that the COL Index is 49 percent lower than the GPI in January and 38.7 percent lower than in February. That is to say, the real wage calculated according to the COL Index is halved. The question is, have the bases of wages been raised simultaneously to double the prewar standard? It would seem unfair to stress the increase of wage bases alone without looking at all views of the matter.

It is to our knowledge that the average monthly wage of man workers in the year 1936 was CNC$23.-316, and the highest wage at that time was that of shipbuilding workers who averaged CNC$40.925 (Labor Statistics in 1930-1937, by International Labor Office, China Branch). Rice per picul was CNC$9.696 (Annual Report of Shanghai Commodity Prices 1936, by Shanghai National Tariff Commission). Real wage in terms of rice ranged from 2.4047-4.2208 piculs. Taking the price of rice on March 20 this year as CNC$3,950,000 per picul, the average wage at present would be CNC$9,-498,565 and the highest wage would be CNC$16,672,120. Or, calculated according to the GPI published by the China Institute of Economics (447,524 in the third week of March), these figures would come to 10,434,471 and 18,304,219, respectively. As we know, the prevailing figures are far below those just calculated. Furthermore, commodity prices in prewar years were relatively stable. The money wage a worker earned one month would be worth the same when it was spent the next month. This condition no longer prevails. When a worker spends the money he receives at the end of a month, he will suffer a "discount" of purchasing ability due to continual rising of commodity prices in the later part of the month. If we take the COL Indices in January and February for comparison, the "discount" he suffers would come to 37 percent. The increase of the wage base above the prewar rating is not enough to compensate the "discount" loss alone.

From what has been said, it would seem obvious that the condemnation of the high wage standard at present lacks material evidence. Even if the real wage has reached the prewar standard, it may not necessarily be considered too high. As it is known, Chinese industry before the war was under pressure from foreign goods, foreign factories and smuggling. To keep their factories running, the only thing Chinese industrialists could do was to lower wages. We have no ground for assuming the prewar wage standard as being reasonably high, and we have less evidence for saying that the prevailing standard, which is in fact even lower than the prewar, is too high.

## Chief Burden?

The conception of excessive wages has as its background the decline of Shanghai industry. As a result of the lowering of production, wages assume a more significant fraction in the total production cost. However, this fact is not evidence that COL Index and commodity prices have a reciprocally stimulating effect. The rise of the COL Index is but a reflection and consequence of the rise of commodity prices. In fact, the whole idea of adjusting wages according to COL Index was derived from a series of price booms following one after another. There is no denying that the increase of wages does aggravate the production cost which in turn raises the commodity price. But it is to be remembered that, while commodity prices swing up, it is not wages alone that rise, and wages are not foremost in the rise. Why then, don't we complain of the price of raw materials instead? It is because the possibility of lowering of raw materials prices or power supply costs is quite small. Naturally, the weakest link—wages—are chosen as the object of firing. Actually, since the adjusted wages have already lost in purchasing power, they have less power to stimulate commodity prices after each price boom. If the Chinese authorities could check the bottomless inflation, it is generally believed that price booms would be retarded.

It will not be difficult to understand the keypoint of the whole matter if KMT authorities fail to check currency inflation. Nobody is going to deny that it is the Civil War that exploits and exhausts resources and has brought the nation to the present state of chaos. The worsening of the military situation—as pointed out by Judd, Bullitt, etc. has an untold effect on the Chinese rural areas. Conscription and runaway inflation prevail in the country, re-

sulting in a shortage of manpower in such districts. On top of it cereal requisition and tax levying accompanied by a thousand and one miscellaneous Government and local taxes deplete entire rural areas of resources of manpower and food. On the other hand, bankruptcy in the country inevitably reduces the commodity demand from the city industries. The narrowing of the market confines industry to the cities alone. Naturally, then, production is hampered.

Another difficulty with which Shanghai industry is faced is the question of raw materials. Take for instance the cotton mills. First of all they have no cotton supplies on hand. Then they are not allowed to purchase from the cotton-producing areas. The only hope they have is to wait for their ration from the authorities. From what little they can get, it is impossible to run their mills at the prewar rate. The cotton they have in stock at present is not enough for two months' consumption. Weaving mills are allotted three to four percent of their cotton yarn requirement from the China Textile Industries, Inc. Dyeing mills get about 10 percent of the raw materials they require. Paper mills are no exception. About half of the mills have ceased operation owing to the shortage of paper pulp. The same is true of flour mills. Besides the shortage of raw materials, the allotment of power is another handicap. Only 25 percent of the quantity actually required is allotted. Imported goods, such as nylon goods and leather, are cheaper than native goods to the extent of about 50 percent. These are mainly smuggled in through Hongkong. Under such circumstances, it would be a miracle for the industries to resume their prewar production.

The drop of production is attributed to another cause—namely taxation on "book profit." A good many producers of important commodities have to pay commodity taxes. Business taxes are not levyed on a turnover basis, but are fixed at arbitrarily-chosen rates. Enterprises of small turnover are taxed at the same rate without regard as to whether or not they are making a profit. Under present circumstances, when commodity prices rise at the rate of 35-40 percent a month, practically every business concern shows a "book profit." This has prompted the authorities to enact a so-called "income tax" which, not only wipes out any real profit, but eats into capital also. Hampered by the unreasonable tax policy, industries here suffer a continual shortening of their real capital and cash circulation.

In addition to the above three main shortcomings, there is the KMT's "production-declination policy" —although the authorities may deny that there is any such policy officially enacted. The tightening of the money market during price booms has little if any effect on the suppression of speculation. Instead, it creates ill effects on genuine business concerns. Being shut off from credits, industrialists have to suffer a loss due to their selling of raw materials in order to finance themselves. Or they have to borrow money at a monthly interest of 30-40 percent. This loss aggravates production cost and reduces production. Restrictions on domestic exchange have practically no effect in favor of industries. On the contrary, it obstructs natural circulation and gives more headaches to the genuine trade. Control of foreign exchange is one of the factors that encouraged black market transactions and cause the prices of imported goods to exceed their natural price level; and restriction of imports gives rise to a shortage of raw materials which in turn hampers Chinese industry.

It is certainly unfair to ignore the above four main handicaps to industry today and to say simply that it is the COL Indext that stimulates commodity prices and hampers industrial production.

## Some Solutions

If we seek to solve today's problem, we should not go into causes of

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secondary importance and let ourselves be entangled by the details of inpracticable solutions. To seek for improvement in the direction of freezing the COL Index has been proven an useless effort. The experience of last February tells us that freezing of the COL Index without freezing commodity prices at the same time is not only unreasonable but also impracticable.

As has been said, there are persons who suggested substituting a "Turnover Index" for COL Index. To our opinion, there will be difficulties there also because there are considerable differences in the turnovers of different enterprises. Which line of business or which particular enterprise is to be reckoned as a criterion in fixing the Index? If the index is fixed individually for every enterprise, it would involve the workers' demanding a publication of turnover or production figures. It is quite doubtful that the managements of enterprises will agree to such a demand, not even the men who suggested the new method. It is not because of technical difficulties alone, but theoretically also such a method is impossible to carry out. In case, say, the turnover of a certain concern shows a drop of 50 percent are the wages of the workers to be cut down accordingly? If so, will the workers be satisfied? Who is going to repay the losses in case the workers strike because of the cutting down of their wages? Obviously, the entire industry will be in an even worse dilemma should the method be brought to practice.

The solution of the problems of today's industry through the lowering of wages is not a healthy solution. Even if the lowering is effected by some means or other, dejection on the part of the workers will be inevitable. Their loss of working spirit will probably counterbalance any effect intended. Of course, to hope for the checking of inflation may seem an idiot's dream, yet there are some alleviations which may not be absolutely impossible.

First of all, alleviation of taxes must be effected if we want to prevent the capital of industries from being eating-out to such an extent that factories cannot run any longer. Loans from national banks must be made if we want to bring about an easy circulation of capital. The restrictions and controls on foreign exchange, cotton, etc. should be lifted to enable a freer import of raw materials. In order to alleviate the burden of the cost of living, authorities here should help to supply the mills and factories with living necessities which in turn should be distributed to the workers. The reparations from Japan should go into the hands of genuine industrialists. This will increase industrial production and consequently lower the forces which cause commodity rises. It is only by such measures that industry may be rescued from its present plight, and then industrialists will no longer be annoyed by COL Indices.

# The Week's Business

DURING the past week (March 24 to March 31, business in Shanghai was not only erratic but irregular to an extent rarely realized even in this always nervous market. Prices went up and down. Billions (in national currency, of course) were made or lost within a couple of hours. The Cost of Living Index went up by 43.7 percent for laborers and by 40.6 percent for office employees.

During the whole week, money was tight although press reports called the situation less tight than the week before. This actually was true; private interest rates which by the middle of March had reached about 40 percent per month were "down to only" 33 percent or 35 percent, except on the Stock Exchange where operators had to pay around 45 percent and the lucky ones around 40 percent.

Meanwhile, Government agencies continued to purchase China produce at fixed prices. Official buying prices for tung oil were hiked to CNC$57,500,000 in Shanghai and CNC$8,000,000 in Canton, the former price being below the open market quotation which, toward the end of March was around CNC$7,700,000.

While commodity prices were irregular and in several fields dropped, compared with the middle of the month, the Central Bank failed to change its official exchange rates. As the money market was tight, as mentioned above, would-be exporters had little chance to make use of declining prices; and purchases by exporting firms were reported to be limited. Exports were reported to have been carried out, nevertheless, partly by Government concerns, partly by some private firms which shipped goods to the US and, to a greater extent, Hongkong.

Contradictory comments were to be heard about the Government's issuing of short-term Treasury Notes said to be intended to absorb idle funds. The new notes will be in five denominations, namely, 10,000,000, 50,000,000, 100,000,000 500,000,000 and 1,000,000,000. They will be issued at a discount and will bear interest of five percent per per year. They will be redeemed within different periods from one to three months.

Semi-official agencies pointed out that "the project would be an excellent means for The Central Bank to absorb idle funds," a statement which other quarters considered amazing indeed. The latter doubted that there will be much voluntary interest in treasury notes which may bring five percent per year, compared with 35 percent per month, or at least 25 percent per month, which any operator or holder of idle funds can obtain on the open market.

The general business situation was also featured by announcement of the Shanghai Bankers' Clearing House to the effect that checks presented during the week ending March 27 amounted to 1,202,992 with a face value of CNC$74,898,285,713,-149. This latter figure shows a decrease by CNC$2,166,100,000,000 compared with the week before. On the other hand, however, the same statement said that dishonored checks during the same week totaled 30,916 with a face value of CNC$1,-680,305,629,525, an increase of CNC$122,300,000,000 over the week before.

Just as most commodity markets, stock markets were erratic and extremely speculative. Indications were that trading on both the Stock Exchange and the curb exchange depended less on actual interest in certain shares or on the shortage of ready cash but on black market movements.

Comparison lists made up toward the end of the month indicated that so-called foreign shares, such as Ewo, Wheelock, etc., actually did gain faster and more than Chinese stocks but that they, too, went up and down in concert with black markets. Foreign shares, furthermore, failed to show any gains when Chinese stocks showed losses.

Price declines on the commodity markets also were watched on the city's foodstuff markets where prices of white rice, first quality, came down on March 31 to around CNC$3,-500,000 per picul, compared with almost CNC$4,000,000 during the first half of the month. Retail prices, however, showed only slight declines, if any. Textile prices showed considerable drops on the speculative wholesale markets, whereas retail prices not only remained unchanged but in some cases even realized slight price advances.

## Quotations

| Stocks | Mar. 24 CNC$ | Mar 31 CNC$ |
|---|---|---|
| Wing On Textile | 1,757 | 1,604 |
| Mayar Silk | — | — |
| Commercial Press | 670 | 575 |
| Wing On Co. | 610 | 517 |
| Ewo Cotton | 1,700,000 | 1,750,000 |
| Bond C | 82,000 | 94,000 |

| Commodities | Mar. 24 CNC$ | Mar. 31 CNC$ |
|---|---|---|
| White Rice, first | 3,800,000 | 3,500,000 |
| Wheat Four | 1,465,000 | 1,385,000 |
| Peanut Oil | 8,400,000 | 8,000,000 |
| Raw Silk "C" | 300,000,000 | 300,000,000 |
| Jap. Rayon | 201,000,000 | 193,000,000 |
| Cot. Yn. (42) | 176,000,000 | 203,000,000 |
| Cot. Yn. (20) | 100,000,000 | 118,500,000 |
| Caustic Soda | 91,000,000 | 92,000,000 |
| Koo Pan Soap | 5,860,000 | 5,630,000 |

# NEWS OF THE WEEK

## N. A. Inaugurated In Nanking; US Hastens Preparedness

THE long-heralded but often-postponed National Assembly finally met on March 29, China's Revolutionary Martyrs' Day. According to official reports, as late as March 29 only 1694 out of the 2908 "properly elected" delegates had "checked in." The authorized strength of the National Assembly should be 3045 seats. It is reported that only 1639, far less than a two-third legal quorum, were present at the opening ceremony of the National Assembly.

In his opening address, President Chiang Kai-shek stressed that the bandit-suppression campaign and implementation of the Constitution are of equal importance and that the basic task of the present session of the National Assembly is to exercise the right of election—namely, the election of the president and the vice president of the Chinese Republic.

In view of the fact that the forthcoming election of the president and the vice president will take only a couple of days and that the National Assembly has plenty of time to spare, a group of Shanghai delegates suggested that the time of the National Assembly could be more profitably spent on "voicing the suffering and grievances of the people and compiling a balance sheet of the political, economic and military affairs throughout the country in order to make some contribution toward the tremendous undertaking of bandit-suppression and national reconstruction, thus serving as a guide to the new Government of the future." It was particularly stressed that unless some kind of substantial contribution were made to justify the enormous cost of money and labor involved, the Chinese people would feel bitterly disappointed. According to press reports, the suggestion has met with widespread and enthusiastic response.

* * *

### Hunger Strike

HOWEVER, the holding of the National Assembly had its disturbing aspect. In defiance of Generalissimo Chiang Kai-shek's decision that a certain number of the Kuomintang delegates to the National Assembly should surrender their seats to the minority parties, ten popularly elected "independent" Kuomintang candidates went on a sit-down and hunger strike "until death" in the National Assembly hall. These members—who contested and won seats which the Kuomintang had allotted to the minority parties under an inter-party agreement—were denied their registration certificates.

Generalissimo Chiang's plea "that unless the minor parties are given sufficient seats there would be a political crisis" was turned down flat. In explaining their rejection, they listed the following reasons:

(1) In so far as all the Assemblymen elected had most of the votes, no discrimination should be made against a few;

(2) Even in party politics the wishes of the people should be respected, and those receiving the majority of votes should be upheld;

(3) If public opinion is disregarded it would give the Communists more grounds for attacking the Government as undemocratic;

(4) If the Kuomintang undertook to assure a specific number of seats to the minor parties it would still amount to one-party dictatorship.

These "independent" rebels, however, were finally evicted from the National Assembly hall and newspaper correspondents found them in a hotel well protected by police and gendarms.

* * *

### China's Future

SPEAKING at a farewell gathering of members of the People's Political Council on March 28, President Chiang reiterated his personal conviction that China is at present "facing a very bright future." With complete assurance, the President was quoted as saying that there was no cause for pessimism regarding the present situation in China. "On the contrary, there should be complete optimism if the matter is viewed from a long-range standpoint. Though there are still difficulties in the economic, political and military fields to be overcome, the situation has been vastly improved in general compared with ten years ago."

President Chiang further admitted that of the many blunders he has committed during the past ten years the worst was his tolerance toward the Chinese Communists by allowing them to take part in the People's Political Council and giving them other privileges which resulted in the present civil war. However, he emphatically added: "I am confident we will not repeat this mistake."

The PPC seemd to think differently. According to press reports, in a statement issued on the occasion of its dissolution, the PPC proposed the convocation of a national conference, "with the understanding and patronage of both the United States and the Soviet Union." in a fresh attempt to solve China's political problem among influential representatives of all political factions. It is emphasized that the present issue in China requires political as well as military settlements and that the fighting in this country is conducive to a world war. "Living conditions, production and even social order and security are at stake. As a result, the Chinese nation is heading toward irrevocable danger."

Foreign Minister Wang Shih-chieh also stressed that China's future isn't any smooth sailing. Speaking at a reception for members of the People's Political Council, he declared that the next 12 months will be the "most difficult year" in the history of China's foreign relations. He was referring to the Soviet Union when he said that China's relations with that country should be handled with the utmost care in order to avoid the hazardous course that might otherwise follow.

The foreign minister pointed out that while the United States was still pre-occupied with the European situation, paying long secondary attention to the Far East, China is left alone to watch the ramparts of democracy in this part of the world.

* * *

### All Eyes On Japan

UNITED States policy in the Far East is rapidly undergoing a profound change. This change, it would appear, centers around building up Japan as a bulwark against Communism in Asia. Mr. William Draper, United States Under-Secretary for the Army, who is now heading a group of American industrial experts to confer with General Douglas MacArthur in Tokyo, outlined a new American rehabilitation plan to make Japan the "workshop of the Far East." The Bill, which is under consideration by US Congress committees, calls for immediate appropriation of $180 million in addition to the annual $300 to $400 million appropriation for "disease and unrest." In the opinion of Mr. Draper, under the proposed scheme, the Japanese economy will become self-supporting by 1952 or 1953. It is stressed that Washington considered the establishment of a self-supporting economy a primary objective in Japan. The Army and the State Department believed that in order to make Japan self-sufficient a certain amount of industrial raw materials would have to be supplied for a short period and that the pump would have to be primed so that the economy could get under way. Mr. Draper further stated that the Potsdam Declaration, setting the Japanese economy at the 1930-34 level, had not been interpreted by America as meaning that the level should not be increased at some time in the future if the Jap-

anese by their own effort showed that is was possible and did not endanger peace.

The "Draper Delirium" made the Japanese take heart. A Kyodo report stated that Nippon will need $3,000,000,000 to rebuild her economy. Joyous hopes were entertained by the Japanese that the United States will pour millions of dollars into Nippon. Another symptom of the Japanese "delirium" was a rumor that Nippon would be empowered to raise an army and make changes in the constitution which banned war and reduced the power and position of the Emperor.

Director-General of the Economic Stabilization Board, Takeo Kurusu, is reported to have submitted a four-point petition to the Draper Mission, requesting among other things that SCAP should leave details of administration to the Japanese Government and modification of the economic deconcentration law.

Dr. Draper told Japanese Premier Ashida of certain projects for further assistance to Japan in the form of either grants or credits which might be considered by US Congress in the future. He emphasized that American aid could not be continued indefinitely. It can only be temporary to bridge the gap until Japan can meet its own needs by its own efforts which it must do as soon as possible.

Ashida told reporters after his meeting with Draper that their talks "touched details of economic issues facing Japan" and that the "prospects are bright."

According to press reports, Ashida promised that Japan would cooperate "to the fullest extent" in America's program to build up Japan as a bulwark against Communist expansion in the Far East. It is further disclosed that Ashida thanked Draper for the past United States assistance to Japan and asked for continued American aid in reconstruction of Japan as the "workshop of Asia."

* * *

## US Backs Anti-Red Movement

THE United States is now carrying on an all-out anti-Communist drive all over the world. In addition to building up Japan, US Congress is reported to be studying a mysterious multi-million-dollar "Project XXX" to finance anti-Communist underground forces behind the iron curtain. The project reportedly has the endorsement of some high diplomatic and military officials. It is understood that under this plan the United States Government would encourage the activities of non-Communist groups in such countries as Czechoslovakia, Hungary and Rumania. Chairman Styles Bridges made no secret of the fact that the United States should "encourage the underground behind the iron curtain" and seek to "undermine Communist tyranny in areas already conquered."

In withdrawing the Senate Committee report critical of the Chinese Government, Senate President Arthur Vandenberg stressed the point that "it is obvious that the Nationalist Government represents our common contest against Communist aggression and deserves firm support within our resources." It will be interesting to recall that the said report charged that "inefficiency, corruption and bureaucratic maladies become even more devastating in a period of dislocation and inflation." It contended that China's shortcomings created a "lack of confidence" in its government.

Political observers find it pretty hard to reconcile the solemn utterance of American leaders to the effect that the United States has no intention to interfere in the domestic affairs of other nations with the project to encourage the anti-Communist underground movement in foreign lands which has for its avowed object the overthrow of the existing regimes recognized by Washington.

* * *

## US Preparedness

SIDE by side with the mounting talk about war in the United States, Government leaders in Washington are taking actual measures to strengthen United States' preparedness. The War Department disclosed that 20,000 reserve officers now on duty but marked for demobilization will have to continue at their posts until Congress comes through with a decision on conscription. Meanwhile, it is revealed that the plans for combined exercises of all units of the armed services for the remainder of this year call for a continuation of Arctic training.

The Secretary of Defense, Mr. James Forrestal, stated that all controversial points which had divided the nation's armed service—who should do what with what weapons in the event of war—had been settled. This was said to be the result of the conference of the Joint Chiefs of Staff held at Key West, Florida, from March 11 to 14. It is said that each service has been assigned specific functions with clear-cut responsibilities.

Plans are said to have been completed for this spring's test of atomic bomb No. 6 at Eniwetok. It is understood that the US Navy will use one of its modern German submarines as a guinea pig in this test, because Russia has some 250 of these tough and powerful craft. The Navy urgently wants to know what kind of force it would take to sink them.

Discussing long-range bombing power before the Senate Armed Forces Committee, Secretary of the Air W. Stuart Symington significantly revealed that the long-range bombers of the US Air Force could take off from Alaska, "bomb any part of Russia and return to American bases."

According to press reports, the American military leaders are thinking of asking Congress to increase the defense budget to as high as US$21,000,000,000. It will be recalled that the defense budget which President Truman sent to Congress in January called for spending US$11,000,000,000 in the fiscal year 1949. Reliable sources in Washington said that the Joint Chiefs of Staff had already given President Truman and Budget Director James E. Webb several alternative proposals.


**TIME SERVICE**

This Company has been informed that "Summer Time" will NOT be introduced on March 31/April 1. Consequently, announcements from Time Service (95678) will continue as at present and will NOT be advanced by one hour as indicated in the Company's previous advertisements.

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# US Magazine Roundup

## *Collier's*

IN an article entitled "Between the Bear and the Dragon" which appeared in the February 6 issue of *Collier's* magazine, Christopher Rand evaluates the present economic and military crisis in China.

He says: "A year ago Chinese Government armies held the initiative over their opponents, the Chinese Communists, on all the widespread and complicated civil war fronts here . . . Government generals spoke of a spring offensive. But it was the Communists who actually struck then. They came south . . . in fast drives that penetrated and broke up the Government's whole military network . . . They are now roaming the Yangtze Valley which is the center of the Government's strength. They are threatening the areas of south and west China from which the Government draws its supplies of manpower and food. Government troops have been called back from the now-forgotten Shantung offensive to stop them . . . but the Government's efforts to catch them are like those of a man trying to eat soup with a fork . . .

"The Communists apparently hope to take Manchuria this year by these tactics of attrition. For the Government this would mean the loss of the richest part of Asia—the part that gave Japan strength to wage the last war. In Communists' hands Manchuria would be a secure base next to Siberia, capable of supporting a long struggle for all of China, if necessary . . .

"Where have the Communists gotten the power to hamstring the Government the way they've been doing and to take over if it does collapse? Chinese officials charge that it comes from Russsian arms. Neutral observers say Russia has helped the Chinese Reds in three ways: Her mere existence has given their leadership the emotional lift that has pulled it through hard times in the past. The Japanese surrender in Manchuria gave Russia the arms of several hundred thousand men and Russia saw to it that much of this equipment got to the Chinese Communists. Russia has blocked the Chinese Government from using the great seaport of Dairen which controls the best supply route to Manchuria.

"On the other hand, during and since the war, America has trained and equipped 39 divisions for the Government and has also given it an air force of sorts and other services.

"But the real reasons for Communist strength lie inside China itself. The truth is that change has been needed in China, and a revolution has been going on for decades. The Communists understand this revolution and are exploiting it.

"The old Chinese civilization which has existed here untouched for thousands of years doesn't mix well with modern industry. It is based on a vast illiterate peasantry who are exploited by a class of landlords, moneylenders and tax collectors . . . This civilization has been overdue for a change as a practical necessity in order to meet the pressure of modern Western ideas. It must change also for external reasons. China will never be able to hold off strong powers like Japan and Russia until the bars to industry are removed."

Mr. Rand goes on to describe Dr. Sun Yat-sen's revolutionary program for China, "still the greatest force in Chinese politics," the chief point of which was land redistribution which could "enable the peasants to raise their level as both producers and consumers" and how, after Dr. Sun's death, realization of the program failed through "delay and compromise." He then deals with the Chinese Communists, describing the vigorous and determined way in which they are carrying out their land revolution and shattering the old order in the villages. "The family moves out, and its place is taken by the Communist Party.

"The whole situation is alarming to Americans. While the Communists may or may not be riding to victory on Russian support, the result may be the same once they get there—they may be Russia's faithful allies in any big world conflict. Some observers believe there's a strong anti-foreign sentiment in China that might turn against Russia if she tried to control a Communist regime here too directly. But Chinese Communist leaders—especially the young bureaucrats—are devoted to what they call the 'Communist Motherland.' Much of the Chinese Communist propaganda is a direct relay from Moscow—and influences its audience in the way Moscow wants people influenced.

"All this is against America's interests as most Americans understand them. Therefore, some American leaders are urging that we get in and win the fight for the Kuomintang."

Warning that this course must be examined, the author points out that the only way in which American aid could be made effective at all would be for it to be used under strictest American supervision and/or to be preceded by drastic reforms within the Kuomintang itself which "would be equivalent to a new Chinese revolution." Since such reforms have been urged on the Chinese Government for years and have not been adopted because they would "strike at the vital interests of some pressure group on which the Kuomintang depends," Mr. Rand sees no chance of their being adopted now. He concludes that the only alternative hope for saving the KMT is for America to "decide to spend a few billion dollars here . . . to make up her mind to come in and run a great many things . . .

"She must be ready to insist that Chiang Kai-shek undertake the reforms mentioned (land reform, honest tax collection, reduction of the size of the army and of the bureaucracy, etc.) Furthermore, she must be ready to shield him from the consequences of outraging the pressure groups involved. (He) cannot agree to experiments within the structure of his power this late in the game unless someone will guarantee that structure against collapse.

"This program, if carried out, means, of course, a heavy responsibility and a deep commitment. The Chinese Communists are already calling us 'invaders' and 'imperialist butchers' on the strength of the little we're doing here now . . .

"Thus, many observers here see this as America's choice: She can either let history take its course here or she can come in ambitiously, trying to drive back Communism by supporting and rejuvenating the Chiang Kai-shek regime—a job that figures to involve several billion dollars and years of close attention. This choice can be postponed somewhat by giving Generalissimo Chiang and his unreformed Kuomintang the small bits of help they've gotten used to. But it cannot be evaded in the end."

* * *

## *New Republic*

MR. Henry Wallace deals with the Palestine question in the February 16 issue of the *New Republic*. He says that, judging from his observations of a recent visit to the Holy Land, "on the village level, the Jew and the Arab get along very well, provided hatred and discord are not incited from outside;" he condemns Britain's present stand of obstructing partition and allowing Arab military operations while, at the same time, "waging an undeclared war on the Jews."

He puts the onus on America, declaring: "The strife in Palestine is a reflection of a foreign policy—our foreign policy—which is negative and defensive. The elements for peace exist in Palestine as they do throughout the world. There are people, masses of good people, Jews and Arabs, with common needs. . . who can be helped to build new, useful and abundant lives, if we will think positively and act forthrightly without delay.

"In addition to using its influence to stop the British Government's sabotage of the UN decision (of partition), the US must call on the Security Council to order the establishment of a Jewish defense militia, responsible to the UN Commission for maintaining order in the Jewish state until an international constabulary can be provided. We have the power to stop violent deaths in the Holy Land. We must use it."

# The Review's English Lesson—XXV

**Prepositions, A Business Letter, A Test, Idioms and Reference Books**

The following is an explanation of two prepositions that are often used in English:

After—Usually means subsequent to or following. He died after (following the passage of) a few days. Used in several other ways, e.g.: What is he after (what does he want)? The police are after (in search of) him. It is only a copy, but after all (yet) it is a fine work.

Before—used as a preposition, adverb and conjunction. Means in front of; in the past; an earlier hour or time; indicates precedence in order or rank; in the presence or in sight of, e.g., face to face.

He stood before (in front of) the gate. Before (previous to) becoming President he was a senator. Please come before (at an earlier time than) the party begins. He ranked before (in higher precedence to) the lieutenant. He stood before (in sight of) the court. It will be a long time before (until) the train comes.

The model given below is an accepted form for a business letter in which the writer desires to order a book:

374 Honan Road
Shanghai, China
September 13, 1948

Houghton, Mifflin and Company
4 Park Street
Boston, Massachusetts
Gentlemen:

Please send me by mail one copy of your most recent edition of **Webster's Collegiate Dictionary.** Enclosed you will find a postal money order for one dollar and fifty cents ($1.50), the price of the book given in the catalogue.

If you are unable to supply me with your latest edition of this book, substitute another dictionary that is equally good.

Sincerely yours,
(Wang Kung-chen)

Encl.

In the following sentences should an adjective or an adverb be used? You will find the answers at the end of the Lesson.

1. He came (quick, quickly) to our rescue.
2. This fruit tastes (bitter, bitterly).
3. We can do the work (easy, easily) in an hour.
4. The patient seems (some, somewhat) better.
5. He left home (real, very) early that morning.
6. The old soldier looked (sad, sadly).
7. Did you sleep (good, well) last night?
8. Her voice rose (shrill, shrilly).
9. Try to speak more (distinct, distinctly).
10. We were (sure, surely) tired when we reached home.

The paragraph below contains a number of slang and idiomatic words and phrases. Read the paragraph, see if you understand it and then refer to the definitions that follow the paragraph:

Not many people suspected that General MacArthur would make a (1) **bid** for the (2) **Presidential race.** But now that (3) he **has taken the plunge,** many people will (4) **wash his dirty linen in public.** His campaign will be (5) **fraught with many obstacles,** including his attempt to explain the (6) **maze of rules** in which newspapermen in Japan have found themselves. (7) **Hard on the heels** of his decision to run comes the question of who is (8) **slated** to run with him.

(1)—expression of a wish. In card games, e.g., bridge, a player bids or offers to bet on winning a certain number of points.

(2)—competition for the office of President. Has a relationship with the word **race** as used in a sporting contest, e.g., in a running contest, the fastest runner is the winner of the **race.**

(3)—made the decision to participate in the contest. For example, when a diver jumps into the water, he takes a plunge.

(4)—tell the public what his mistakes and shortcomings in the past have been which have not been revealed.

(5)—full of difficulties.

(6)—confusing number of regulations. For example, a **maze** is that part of an elaborate garden with a large number of intricate and twisting paths.

(7)—directly following. One of the less familiar definitions of **hard** is close or near, e.g., hard by. When a person is fleeing from a pursuer his heels are the last part of his body to move away from the pursuer. So, literally, the expression means as close to the fleeing person as physically possible.

(8)—listed. A slate of political candidates is a list of those prepared for nomination or election. A person who is chosen to run for office might have his name written on a slate, figuratively speaking.

The list of books given below may help you in selecting works that will help you to improve your knowledge of contemporary English:

**The English Echo** by J. Ingram Bryan. Commercial Press, Limited, Shanghai, 1941.

**Method for Teaching Modern Languages** by M. D. Berlitz. Second Book. American Edition.

**A Manual of Commercial Correspondence** and Commercial Forms by Li Ung Bind, Commercial Press, Limited, Shanghai, 1946.

**Webster's Collegiate Distionary.** G. & C. Merriam Company. Springfield, Massachusetts.

Answers to test on adverbs and adjectives:

| | |
|---|---|
| 1. quickly | 6. sad |
| 2. bitter | 7. well |
| 3. easily | 8. shrilly |
| 4. somewhat | 9. distinctly |
| 5. very | 10. surely |

# What US Papers Say

SPECIFIC proposals for China aid were commented on fully in the US press last week, among them the bills produced recently limiting military aid and outlining governmental reforms by committees of both the House of Representatives and the Senate. Promotion of Jimmy Yen's Mass Education Movement was also urged by one paper. An issue which drew divided opinion from American papers was the US proposal of a temporary UN trusteeship in Palestine.

* * *

## China Aid

SAID the *New York Herald Tribune*: "Danger that the US might become directly involved in the Civil War in China has been reduced as a result of the sound judgment shown by the members of the Foreign Affairs Committees in the Senate and House. Despite a barrage of propaganda in favor of forthright military assistance for Chiang Kai-shek, the House Committee approved only US $150,000,000 in military aid. The Senate Committee, to its credit, went even further and eliminated all mention of military aid from its bill . . .

"There is one provision in the House bill that certainly should be retained and if possible strengthened. This is the provision for a rural reconstruction and rehabilitation program in China along the lines proposed by Dr. Y. C. Yen and other liberal Chinese leaders. If such a program had active backing in both Nanking and Washington, it would improve living conditions in the rural areas of China and give the Chinese peasant a strong reason for fighting the Communists. It could produce popular support for Generalissimo Chiang that would be worth far more than all the American help he can ever obtain.

The *Washington Post* took the view that the House bill "signifies nothing but a triumph of pressure-group politics—which has anything but China as its object. To be sure, there is Communism in China and this nation must be concerned with remedial measures. But we see nothing in the economic as well as military appropriation which would aid the fight against Communism."

The *Post* reaffirmed its earlier advocacy of currency reform through the introduction of silver coins from the American store of metal, and added: "However, the cause of making American help count in China is not yet lost. If by aid to China is meant help for the Chinese people, then the services of a man who has come to be known as 'Yen of China' should be enlisted . . . Lately he has been in this country appealing for the setting-up of a Sino-American commission on mass education and rural reconstruction. If the money to be voted for economic aid to China were put into this project, it would not be wasted."

The *St. Louis Post-Dispatch* came out strongly against the proposed US$570,000,000 loan to China "the futility of which is being compounded by the move made by the House Foreign Affairs Committee . . . to earmark US$150,000,000 of that sum for 'military aid' . . ."

The US$570,000,000 China bill cannot possibly do China any lasting good. No amount of aid can help China unless it is accompanied by fundamental reforms which Chiang is unwilling to make. The present relief measure grows out of domestic politics, and was offered to keep the Republicans from saying that the Democratic Administration is doing nothing to stem Communism in China. It deserves to be scrapped. Until we can do something effective in China, it would be better to do nothing at all than to squander funds in political gestures."

* * *

## US Policy Toward China

THE *Christian Science Monitor* (Boston), defending America's China policy in the face of the political diatribe against (it) in the past few years, asserted: "General Marshall was not so naive as to take the view of those Americans who considered the Chinese Communists mere 'agrarian reformers,' but neither was he so naive as those Americans who, in today's tense atmosphere, refuse to see the specifically Chinese (and even quasi-Confucian) complexion of Chinese Communism through the Yenan period. Its sharp departure from orthodox Marxism and Stalinism in building on a peasant, rather than proletarian, base offered at least a hopeful chance of working rapprochement with a reformed National Government.

"Events since then have drawn the Chinese Communists closer to Moscow in fact as well as theory. The military capture of large cities may hasten this process by substituting a proletarian for the peasant base. But despite loose accusation and denials of the election year, American policy for the past two years has aimed at a Chinese, rather than an American or Russian, solution for China."

The *San Francisco Chronicle* had this to say about the subject: "We do not dispute those global strategists who say that those in charge of American policy should keep the whole world and all of its problems in perspective. But we split cleanly with them when they also contend that America's job is to repair the whole world simultaneously . . . The Communist threat in Europe happens to be a greater menace by far to our way of life than the threat of Communism in China, and nothing would please Russia more than for America to stretch her resources so thin that we failed to turn Communism back any place."

The *Birmingham* (Alabama) *Age Herald* also supported Secretary of State Marshall's views, and said: "No longer can the argument be justifiably made that the United States is totally vague in its policy toward China . . . Marshall nullified such criticism yesterday in a news conference. It is important news. Chiang Kai-shek knows where Marshall stands. So does Congress . . ."

* * *

## Palestine

EDITORIALS in the US press are divided on the latest US proposal that a temporary UN trusteeship be established over Palestine and that the partition be reconsidered. Most editorials, however, criticized handling of the problem by the US policy-makers as damaging to US prestige. Others recognized this change in the US position as reflecting a realistic appraisal of the situation, and as an effort to assure peace in the Holy Land by the best available means.

"The *New York Times* said in part: "Three things need to be said concerning the present shift of American policy on Palestine. The first is that it comes as a climax to a series of moves which has seldom been matched, for ineptness, in the handling of any international issue by an American Administration. The second is that it is a plain and unmistakable surrender to the threat of force. And the third is that it holds little promise of being able to avoid the very hazards which it is intended to circumvent . . .

"Where does this new decision leave us? It leaves us still under the inexorable necessity of helping to furnish that 'international armed force' which we have been so reluctant to provide."

Approving the change in US position was the Washington Daily News (Scripps-Howard): "Our government is recognizing that the chances of the proposed partition, never bright, have ceased to exist—at least for the moment. In suggesting a temporary UN trusteeship, our government offers the only apparent hope of getting the UN to take responsibility for law and order in Palestine to save the rights and lives of law-abiding Jews and Arabs and to modify a threat to world peace."

The *Pittsburgh Post-Gazette*: "The temptation is, of course, to be self-righteous, to ask embarrassing questions, such as: Why didn't the US foresee the difficultities when it took the leadership in the partition plan in the General Assembly last fall? But to take this attitude would be hypocritical. The *Post-Gazette*, too, thought last fall that partition was the best settlement of the Palestine problem. Like this country's UN delegation, we were lulled by false assumptions rooted in naivete on world affairs."

# What Chinese Papers Say

THE freedom of press, agrarian reform and the special relief levy were interesting topics commented upon in the Chinese press last week.

* * *

## Freedom of Press

COMMENTING upon the United Nations Conference on Freedom of Information and of the Press, the *Ta Kung Pao* pointed out that at present when the world-wide war talk and war of nerves are at their height, such a conference is of special significance.

"It is quite obvious that up to the present, talk about freedom of information and the actual recognition of freedom of information are two different things. The United States is most enthusiastic about promoting freedom of information. However, when a correspondent of the Communist *Daily Worker* applied for a passport to go abroad, his application was turned down. The Czech Government forbade American correspondents to attend the funeral services for Jan Masaryk. In regard to the suppression of public opinion in Continental Europe and South America, there are too many instances to be cited here. Such being the case, it is hoped that the present Geneva Conference would do well to devise concrete steps rather than draft a high-sounding charter.

"The reason it is so difficult for the people of the world to enjoy freedom of information is that the criterion adopted by the authorities of the different countries is based more on whether the information is favorable to the authorities themselves rather than on the correctness of the information. Consequently, those correspondents who are engaged in collecting information on activities of a 'subversive' character are often suspected of encouraging 'rebellion.' This way of suppressing information is not only contrary to the spirit of freedom of information, but also does not do any good to the authorities themselves.

"Today, the difficulty in collecting information is due not only to direct or indirect press censorship, but negatively to the threat of punishment or terrorism. As a result, in order to play safe, many newspaper correspondents prefer to wait and see the attitude of official news agency before sending out their stories.

"A more thorough method of controlling public opinion is for the government to operate newspapers with public funds, either directly or indirectly. These Government-operated papers are granted a series of special privileges and their way of doing business presents a serious threat to the private papers.

"As far as the newspapermen themselves are concerned since the country is now divided into two, there is no unity among them to speak of. Nor is there any appreciation of the difficulties encountered. Theoretically speaking, they should help one another as fellow workers. But actually it is not the case. Some newspapermen who do not attach much importance to the newspaper business not only refuse to defend their contemporaries who have been falsely accused but also help throw mud and call names. This evil practice, we feel, offers a serious threat to the freedom of information."

* * *

## World War III

PLAYING up the current war scare, the Catholic organ, *Yi Shih Pao*, took great pains to call the serious attention of the world as well as the Chinese people to the sensational discovery that "World War III has already begun in China."

The paper warned: "If the war in China is allowed to continue and if China should be included in the orbit of Red Imperialism in the near future because of her inability to stop the destructive activities of the rebels who are supported by a foreign nation, it would undoubtedly be a tragedy for all the democratic nations of the world."

The paper noted with satisfaction that "in spite of the fact that Secretary of State Marshall is still dreaming of mediating between the Kuomintang and the Chinese Communists and that he still stubbornly persists in his view that Europe is more important than Asia, the majority of the American people now understand the situation in this country better than they did before...."

In the opinion of the paper, General Chennault's statement to the effect that the Civil War in China marks the beginning of World War III "represents the most progressive thinking in the United States."

"It seems to us," the paper continued, "that Marshall still wants to follow the wrong course, thinking that as America's resources are limited they must be concentrated on one part of the world and Europe must be given priority. In this way he has not only shown the weakness of the United States, but also he has made a strategic error."

* * *

## Agrarian Reform

THE *Shun Pao* advocated a nation-wide application of land reform in order to strengthen the anti-Communist drive. Reviewing the results of the Central China Pacification Conference recently held in Nanking, the paper wrote editorially:

"Besides correcting the existing military and political shortcomings, this plan provides for effective coordination of political, military and economic affairs. The most noteworthy item in the plan is the proposed distribution of land to the soldiers. The plan provides in principle that each soldier will be given three to five mou of land. In addition, any land in the pacification area which is owned by a family who does not cultivate the land, no matter whether it has been illegally distributed by the Communists or not, may be kept. However, the amount of land owned by each member of the family will not exceed five mou. The remaining land will be purchased by the Government with bonds in agricultural products. These bonds will be redeemable over a period of 15 years. Ownership of such excess land will then belong to the farmers who till the land.

"Land reform in China is a political as well as an economic problem. At the present time when the bandit-suppression campaign is in progress, the fundamental solution for this problem is certainly an important factor which will decide the future destiny of this country....

"If we study the policy and action of the Chinese Communist bandits with respect to the land problem, we will find that they too are shifting from "land revolution" to "land reform." In 1927 when the Kuomintang carried out its house-cleaning, the Communists advocated "land revolution" and the land owned by landlords was confiscated and distributed to the farmers. When the Sino-Japanese War came to an end, the Communists resumed their land revolution, which resulted in deepening the bankruptcy of rural economy.

"That is why on October 10, 1947, they promulgated their 'Outline of Land Law' claiming that they have put into operation the policy of enabling the tillers of land to own the land they cultivate. Although they abolished the system of private ownership of land by landowners, they recognize the private ownership of land by the farmers....

"Now that the Communist bandits have utilized Dr. Sun Yat-sen's land policy as a weapon in the political struggle, how can the National Government afford to lag behind? The decision reached by the Central China Pacification Conference to revise the regulations governing the disposal of land in the pacification area is indeed a progressive and wise measure."

# NEW BOOKS OF INTEREST

## The Universal Picaroon

HYMN TO WRECKAGE, *by Robert McKinney, published by Henry Holt and Company. New York, 1947. XIV, 45 pages. US$2.50. Reviewed by Michael Keon.*

FRIEDRICH Nietzsche, I think it was, once ended a disquisition with: "This then is my truth. Now tell me yours."

This seems to be one of the really basic troubles of our time. Our worsening problems drive so many of us to embrace this or that "truth" which becomes, the longer we hold it, the more exclusive of all other "truths." The Christian, the Marxist, the Freudian, are often notable exponents of this kind of all-exclusive "truth."

This kind of thing, of course, produces its most dramatic impasses in the political field—as witness the present state of relations between Russia and America. But it also works a subtler and ultimately far more damaging poison. It paralyses the general receptivity of our minds. Life is endlessly rich and complex and forever coming up with something new. We possessors of exclusive "truths" find it increasingly difficult to view the new except in the light of its conformity or non-conformity to these preconceived "truths" which thus come to be a kind of straitjacket on the growth of our minds.

These rather weighty generalizations have been stimulated by the way I caught myself reacting to a small book of poems by Robert McKinney called "Hymn to Wreckage." The poems are about China and when I first read them I almost dismissed them automatically because they seemed to me to say nothing pertinent to the present political situation in China. However, lines here and there remained in my mind and drew me back to further readings.

I realized that Mr. McKinney did indeed have something to say about China—the China that is overwhelmingly older and more various than and completely inclusive of the China of Chiang Kai-shek and Mao Tse-tung, the tremendously rich and complicated and persisting China of which the present political state is but a passing and partial expression.

Mr. McKinney, I understand, has never been to China, and this has actually been an advantage in writing the present poems. From what study of its literature, painting, philosophy, pottery, Mr. McKinney has worked out his personal and arresting awareness of China I do not know—but, however he managed it, it has resulted in poems which, while in no way world-shaking, have a pleasant, subtle, and often sharply bitter validity.

Mr. McKinney's courtesan Chiao Fei-yen is a modern version of the beautiful young women of the "Chin P'ing Mei"—trapped and doomed by the same forces now in their final stages of decay. His tortured ambivalent turncoat Ta-ke has a thousand counterparts in Chinese history and the China of today. And his universal picaroon Chia Shih is everybody from the sweating rickshaw coolies crowding the streets to the Communist peasant generals leading armies.

Mr. McKinney does not force his picaroon hero through to any such decisive solution as the leadership of a revolution army. There are no real solutions or decisions in Mr. McKinney's poems at all, but they do culminate in a clear and bitter reaffirmation of the position which ultimately forces men to achieve action.

Chia Shih, warming his feet in the ashes of his own ruins, says:

"I wait here with my hands on a gun.
Quick, end the dark ages in China,
No one will pass *me* while you build.
Then come to me, beating on oil cans,
We will do the same thing for the world."

Mr. McKinney has this, in his preface, to say about his picaroon hero: "(Chia Shih) lives astraddle the fault line of our present period, while we live on what is still the outer edge of the quake zone. In China the tensions and conflicts are infinitely greater than in the West—the old is so much older, the new so much newer. The range of experience, the intensity of experience through which Chia had to pass in order to survive, transformed him from a man behind us in historical development to one advanced into the next period of history.

It certainly cannot be said that Mr. McKinney has really traced any such "transformation" of his hero in his poems, but these remarks do serve to show that, not only is Mr. McKinney aware of the real and abiding China, but that he is also acutely aware of the present crisis in China in its essential and universal implications.

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## Practical Advice

YOU'RE THE BOSS. *By Edward J. Flynn. New York, Viking Press, 1947, 244 pages, index. US$3.00. Reviewed by F.M. Roberts.*

THIS autobiography is the story of Edward Flynn's experience as a Democratic party "boss," but it can also properly be considered one of the most revealing books to be added to the growing list of Rooseveltiana. More than half of the book deals with Roosevelt as he is known by Mr. Flynn. And Mr. Flynn knows Roosevelt from a unique viewpoint.

The relationship goes back to the days before Roosevelt was governor of New York State. In fact it was Flynn himself who first placed before Roosevelt the party's choice of Roosevelt for governor. From this time on Flynn was not only behind the scenes, but often on the stage itself. He was New York's Secretary of State during Roosevelt's governorship and National Chairman of the Democratic Party at the time of the convention which nominated Roosevelt for the third term.

The 1932 convention and election of Roosevelt may be considered to represent the highest point ever reached in amateur politics. Flynn analyzes Roosevelt's political acumen and shows his development from "amateur" to "professional." His picture of Roosevelt is one which should be considered by anyone who would claim an understanding of this great American president.

Mr. Flynn has been the Democratic party boss of the Bronx (one of New York City's five counties) for 25 years, and he writes of his own experience in city, state, and national politics. He tells how elections are won, who makes (and breaks) political candidates. (Truman's choice as candidate for the vice-presidency is one interesting example of party procedure.) The spoils system—that institution by which the victorious party gets the offices—is, as Flynn says, not only necessary, but valuable in developing good party government.

He holds the view that so long as there is a two party system of government there will be machines. The terms "machine" and "boss" may be in bad repute; Flynn says to call them "political organization" and "leader" does not change the fact that through this method election laws of the various states provide for primary elections and political procedure.

There is a play of words in the book title. In the last analysis the voting citizen is the "boss," and Flynn claims that if the people wish good government it is necessary that they "grub around in practical politics as active members of a party." He explains why he considers reform or fusion governments unsuccessful.

Mr. Flynn has good practical and universal advice for politicians: Public officials and organization leaders should not accept gifts. Personal life should be separate from political life. There must be no union of politics and crime. He believes that politicians should have nothing to do with gambling, prostitution, the police department or the school system. (These points are particularly pertinent when one recalls the unproved accusations which prevented Roosevelt's nomination of Flynn as Minister to Australia.)

More insights into party government and control can be obtained from this book than from the formal textbooks studied in political science courses. The working side of American politics is presented by one who has done the work. Politics as a profession and a business is here described. In a democratic system the politician is no less and no more important than the officials in whose election he plays a part.

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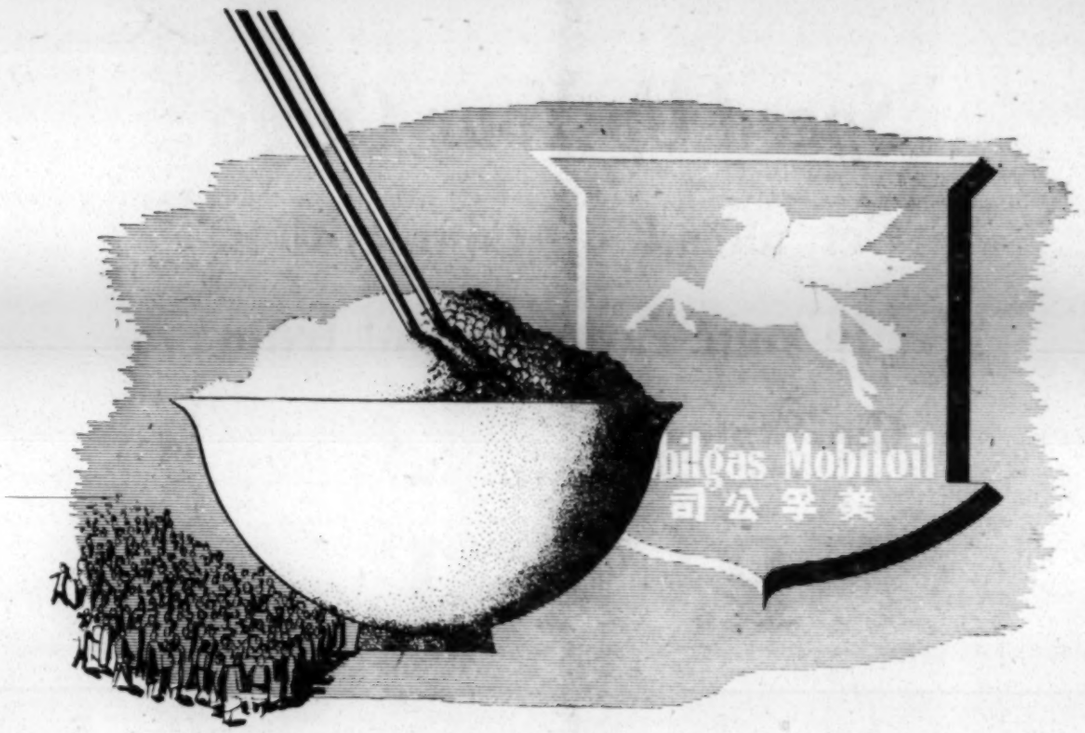


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